

## PROLOGUE

The soldier settled down behind his rifle, the weapon zeroed in on a lone man swimming out from the beach through rough, foamy water. The man behind the gun cleared his mind of any concerns he might have had prior to getting to this hot cliff face and tried, as he had been trained, not to let the humidity, sweat and persistent flying insects take his mind from the target—this, after all, was his job. He took little comfort in knowing that on the other side of the beach, at a similar elevated position, there was another soldier holding the exact same weapon, trained on the distant man swimming out from the beach below. Who the target actually was didn't matter: it was not the soldier's concern. The fact that this was taking place on a beach in Victoria not far from the military base at Portsea, from where the team had arrived a few days ago, didn't really matter either—they were only following orders. The soldier felt sweat rolling down his chest from under his chin that was tucked tightly against the butt of the new XM-21 rifle. He knew that when he squeezed the trigger, if he was indeed ultimately ordered to fire, there would be an almighty and sudden kick as the powerful weapon sent a single, 7.62 calibre round hurtling from the barrel. All he could do was control his breathing and stay focused on the target, keeping his sights trained on the rhythmic strokes of the man in the rough surf. There was something about the swimmer that played at the soldier's mind, somehow the form in the water was familiar to the soldier, even at this great distance, more than 300 metres away. The vague recognition was forced to the back of his mind, it didn't matter. He wanted to shift his weight so that the force of the round going off would travel more effectively through his body, easing the sting of the jolt to come. He had tried to get as comfortable as possible but the sandy soil kept blowing up from the ground and into his face. He had some difficulty factoring in wind variations necessary for an accurate shot. The wind was strong and blowing in from the ocean at high knots. More importantly the wind strength was inconsistent, making an accurate shot far more challenging. His inability to brush the sand from his face and eyes added to his discomfort, making it more difficult to keep his weapon trained on the almost invisible swimmer. The small, pale target, the dark ocean, the heavy surf conditions would all conspire to truly test his skills as a marksman.

The sun was heating up the sand and the soldier's body was beginning to sweat profusely, hidden away under the camouflage net and heavy canvas uniform he was wearing. A fly was crawling across his forehead, irritating the nerves under his skin. There was nothing he could do about any of that now; he couldn't move so it didn't matter. Just then a large set of waves swelled from the grey ocean and the man swimming in the bay ducked underwater. Over his gunsight the soldier watched the civilian spotter finally giving the preordained signal to fire on the lone target. With no thought or question the soldier exhaled the air from his lungs, held his breath and slowly squeezed the trigger on the weapon until it was fully depressed, never taking his eye off the target. He felt the jolt of the rifle against his shoulder and heard a deep thud as the silencer contained the flash of light and noise of the round violently being expelled from the weapon, and was aware of the simultaneous shot from the other side of the beach.

The rounds struck the target at the same time, practically tearing the man in half. Both bullets entered near the spine, creating small holes at their entry point, and continuing on through the thorax, cleaving

through vital organs, and finally exploding out of the chest, ripping most of the flesh and bone out into the surrounding water. Mercifully the man was dead before he realized anything had happened. By the time the soldier looked over the top of his weapon, down from his elevated position, he caught a brief glimpse of the dive team, mostly concealed by the high swell of the waves, hauling away the man's body. Remaining still after his shot, the soldier awaited the all clear. After what seemed an eternity, a ground-based signal released him from his immobile state. Knowing that time was short the soldier scrambled to roll up his cam net, clear his weapon and retrieve the spent cartridge. He slowly moved away from the position at a leopard crawl, utilizing the cover of the saltbrush and heavy ground foliage where he had spent the better part of the night.

The soldiers along with the spotter and dive team had a limited amount of time before the incident was to be reported as planned. They had to be ready to join the search party and blend into what they knew would be a fruitless search. Below in the grey ocean the lone swimmer was gone, all that remained was a slick of blood in the water that was rapidly dissipating in the foamy surf.

#### BONDI 1971

The motor bike screeched up the driveway, almost crashing into the drainage pipe running down the wall of the building. The rider was drunk and clearly affected by the acid he had taken just a few hours ago. As he managed to get control of the bike just enough to avoid smashing into the side of the block of flats on Gould Street. He was far from being under control of himself having dumped the bike on its side rather than taking the time to employing its kickstand. "Fuck yah you piece of shit" Clearly in the grip of a rage the man pulls a handgun from under his tassel covered suede jacket and shoots the scuttled motorbike twice. As the handgun sounds, faces silhouetted behind light in the surrounding windows scurry away from view. Standing in the leaking fluids of the sputtering but still running bike and brandishing the handgun for all to see the man screams at the hidden spectators. "Yeah and all you cunts can get fucked! I hope one of you gutless cunts calls the cops cause Ill shoot those bastards too!" Making his way to the front entrance of the block of flats the man notices the lights inside his own unit go out. "Beryl yah fuckin bitch I'm home, I can see you yah cunt, I know you're awake! Is that cunt in there with yah?" The man ascends the small stairwell to the first floor unit hearing the raspy tones of, Janis Joplin singing "Me and Bobby McGee" being played inside the Apartment. He tries to turn the doorknob, knowing all the while it would be locked. "Open the door fuck yah woman! I only want my shit!" With no response forthcoming the man proceeds to kick the front door in almost smashing the frame and ripping off the hinges in the process. The interior of the small beachfront flat is decorated with a Spanish bullfighting motif with tasseled window drapes in deep red and replica Spanish mane pistols mounted on several walls, hanging next to a collection of randomly hung Toledo Salamanca broadswords. The room is lit with electrically powered replica lanterns hardwired into the grid of the building where standard light fittings should have been. Here and there on the walls are pictures of gaudily clad men fighting and killing bulls, there's the faint smell of pot hanging in the air and an unmistakable musty smell of recently had sex. In the rear of the apartment



there is a loud scuttling noise ,pots and pans being knocked around and the sound of the rear door slamming shut."Ill kill you... You cunt!" The man screams, pulling a hidden sawn off shot gun from under the tasseled suede jacket.In a roar he fires off one round from the double barreled gun, hitting part of the wall and the doorframe leading into the kitchen and towards the rear door.As he staggers under the recoil the man slips and the second chamber of the shotgun discharges into one of the bullfighting pictures on the wall."Fuck....I know you're here you cunt!" The man fumbles around in his jacket for two more shells attempting to reload the weapon, cracking open the hot barrel in preparation for the new shells. The commotion in the rear room continues and muffled voices can be heard along with kitchen cupboard doors being fumbled with, smoke from the discharged cartridges fills the room and children begin to scream and cry in terror at the sudden and rude awakening.The angry man leaps over the wreckage he had just caused, moving towards the sound .He briefly glimpses a tall man leave via the rear door before his world ends with a clang and the sound of metal on skull. As the angry man loses consciousness the last thing he sees is a small woman standing over him with a large skillet in her hands."Youre a fucking arshole Denis!" The woman says in a screeching harpy like voice. And then the darkness consumes him.TIME PASSES...Darkness becomes grey and then a messy blur, followed by vague outlines, then something Familiar. A large Maori male leans over the slowly awakening angry man. Traditional tribal tattoos make this person known to the angry man. As he slowly wakes from his forced sleep the man looks around him to find he is laying in the gutter somewhere, and that this large man is well known to him."Denis you fuckwit what did you get up too last night? Mate you cant fuck around like that! The cunts will fucking find you, and that will be that you dumb shit!"The angry man wipes his hand over his scalp and looks at the blood collected from the area on his head where the skillet had ended his rage. Strangely his ribs were on fire and his face felt like a bus had hit it. If his ex-wife had done this she was tougher than he gave her credit for. Then a name pops into the gutter sprawled mans mind."Fucken Billy Tango! Fuck mate where am I and where the fuck did you come from ? I thought the cops got you after the punch on at the pub last night ?"The large Maori with the tattooed face gives the angry man a toothy grin then begins to laugh out loud, whilst grabbing the fallen mans wrist and hauling him to his feet."Shit Denis, you're ex is fucken angry at you ! And who can fucken blame her ? You left her and the kids with no money a month ago. She's shackled up with that Keith wanker, you used to call a mate. Me?... I hate that cunt, wouldn't mind putting a bullet between his eyes ,but its not my business ."

Having stood from the gutter he was laid out in, the angry man looks around and realizes he's in a back alley at Kings Cross, just outside his friend's apartment."As for how you got here mate, Beryl called my misses last night after she knocked you out with the fry pan and that cunt Keith came back and bashed you when you were out cold .I was on my way home after I escaped from the cops so I swung by and chucked you in me car. I was so pissed I couldn't get you upstairs so I let you sleep it off here. Wanna beer mate? I got a carton upstairs?"The large Maori scratched his head and then continued, looking around uneasily. "Besides mate, you cant stay outside in broad daylight you fucken need to work out what the fuck you're gunna do next!"It didn't take much to convince the angry man to take Billy up on his offer. Lately alcohol and drugs were all that made sense to the angry man. He had been on the run since the Holt thing, knowing that if the authorities caught up to him he would be

dead and so would his wife and kids. He had married Beryl three years ago under an alias, mainly because she was pregnant with their first child Raylene followed soon after by young Paul. For an army deserter living on fake identities and wanted by more than just the state and federal police, hiding in a place like Kings cross probably wasn't the smartest option. It was however where this whole mess had started and the best place to find a few answers. Driving trucks and hanging around hookers, bikers and drug dealers only made matters worse. Problem was that killing people and truck driving was all that he knew. Denis wasn't very good at the latter and his motor bike had become the latest victim of his only real trade. At least he had a beer to look forward to. As the two men began to walk towards the large Maori apartment the big tattooed man turned and with no warning punched the angry man square in the face. He hit the ground and bounced twice, ending up on his backside looking back at Billy with a look of astonishment, then the big Maori spoke. "Don't look at me like that you fucking idiot! Did you know you're son was asleep on the couch when you started shooting up the place? Now get up and get over it! Lets have that beer you mad bastard." Marawauna and beer are two things that aussies and Maoris defiantly have in common. Both races consume them with passion, granted having differing effects. For the aussie beer was number one, dope just came in a close second with pretty much any other drug on hand. Aussie males tend to get pissed talk a lot of shit then smoke dope and go quiet, becoming more internal you might say. For the Maori male on the combination there were only two outcomes, music via the acoustic guitar and a good old sing song or outright violence, usually with the internal thinking aussie right behind him for the punch on. Billy Tango had made a name for himself as a kings cross bouncer and debt collector and he was good at it. Big, intimidating and strong as an ox, not many people would mess around with Billy, in fact no-one that knew him even made fun of his nickname which in reality was Tiketou, but some smartarse one night had called him Tango and it had stuck. It was almost forgotten that it had been Denis that had started the nickname. The two had met in Vietnam in 1966 on leave in Siagon, Tango was with the New Zealand infantry and Denis was stationed with the Australian SASR and when he got on the drink and the drugs with his Maori mate Billy, it was a song and a war in one go. Fortunately busted up as Denis was, violence or even singing for that matter was not on the cards tonight. That's not to say that the drink and the drugs didn't flow that evening. They drank and smoked until the broken body of Denis passed out on Billie's lounge. And as his drug and alcohol affected mind drifted off, to the sound of Billy and his wife singing "Ten Guitars" the rythmatic music, combined with the pounding in his head merged into a sound like the crashing of waves on a lonely beach, he could almost smell the salt and feel the sand under his body, he hated the ocean and would never set foot on a beach again. In the back of the man's mind, as he drifted into oblivion he wandered..." I was only following order show had it all gone so wrong?"



## INTRODUCTION

The world of the 1960s was a colourful place of incredible change. A world of student protest marches, political action groups, wild new music and experiments in alternate lifestyles.

Governments, so used to a complacent population that lived by such slogans as 'Loose lips sink ships' and 'Do you know who is listening?' and ideology born of two horrendous world wars were hard pushed to understand this shift in the social matrix. The leaders of this old way of thinking were, in the sixties, being challenged by a population in a constant state of flux. Much-vaunted value systems of older generations were being criticized, if not defiantly challenged, by new generations with strange notions of equality and social conscience. Not only did these upstarts turn their backs on the old guard, but defiantly pushed for social changes that discomfited those in charge of the status quo. In times past, the peoples of most well-developed Western societies generally believed in and supported their elected officials and followed national policy and the rule of law, feeling that those in power knew best for entire nations, no matter how racist, imperialistic and xenophobic those policies might in fact have been. In the sixties all this began to change. The war in Vietnam was escalating, and had effectively divided world opinion and separated allegiances that had existed since the First World War.

America and its allies were spearheading efforts opposed to a perceived worldwide communist threat that had percolated since the conclusion of World War II and the dividing of Germany into East and West. Those in Washington at the time feared this socialistic heresy would swallow the entire free world. Strategists came up with a unique name for it, 'the domino theory'. The idea was that if Vietnam, or indeed any other nation with a degree of economic or strategic importance to the United States, fell to the communist threat, all of the surrounding states would soon be engulfed by the red monster. History has since proven this notion to be completely false. However during this drawn out process a massive military industrial complex had developed as a result of this 'lukewarm'—it was never truly cold—war. Conflict had indeed sprung up between the Soviet Union and the United States but it was a conflict that utilized surrogate nations and poison diplomacy. Both the United States and the Soviet Union used these foreign battlegrounds, diplomatic and actual, to test new weapons as well as subversive political strategy indirectly against one another in a way that did not push an outcome towards mutually assured nuclear destruction.

In the 1950s and on to the present day, America has involved itself and a small collection of its allies in the political and economic fates of several sovereign countries. Elected officials were forced out of office by American secret service-funded coups. South American nations at the time suffered the brunt of this self-absorbed policy making by the US. Vietnam in the sixties was no different. What was in truth a civil war had been twisted into something that it should never have been, an internationally significant war. Many of the United States' former allies, including Great Britain and France, rightly refused to heavily involve themselves in Vietnam even when in its infancy it was declared a mere 'police action'.

The populations of more and more countries were being made vividly aware of the horrors of war by a media that was vastly superior to anything that had come before. Change had begun with images of babies burning and villagers fleeing napalm bombs, populated areas drenched in flame and American

and Australian troops being killed in a foreign land, for in Australia's case a foreign government, in a pointless war, so far away from the comfort of home. All these notions, all these seeds of doubt were beamed directly into the lounge rooms of millions of Western homes. In this environment change was inevitable.

Legislation slowly began to change under the titanic weight of mass popular opinion. As a result, society began to mold policy rather than the reverse. Many of the old guard, the powerful, the patriotic and the greed driven, who had much to lose because of this shift in values, began to turn to their secret services as a method to effect satisfactory outcomes in international political reforms that more closely suited their agendas, and circumvented the political process of more open governments. Organizations such as the United States' CIA and NSA, Israel's Mossad, the Soviet Union's KGB, Great Britain's MI5 and, in Australia, ASIS and its internal counterpart ASIO (to name just a few), with their covert methods and hidden funding, were used to ensure the political and, by proxy, economic goals of the installed bureaucracy would be met, despite the will of the people, and certainly not in the name of the people.

'Black budget' programs that operated with little or no public oversight and few control systems began to effect their own particular brand of political change worldwide—change that by and large should have been left for open and elected governing bodies to decide. As these covert agencies developed they also changed. In order to survive as an intelligence arm of government they needed to influence the government's actions. To do this they tailored their intelligence information in such a way that the government had to listen to, and indeed act on what that intelligence arm was feeding the governing bodies. To an extent the government became subservient to the intelligence agencies, which were in turn being funded by that same government. It was a parasitical situation, costing many innocent lives and causing significant collateral damage in the process that unfortunately continues to the present day. The methods these agencies employ are as varied and many as they are immoral. Far from Bond-type characters saving the world from one threat or another, these organizations often employ the dregs of society to meet their desired goals. Criminals, drug barons, subversive groups and even terrorists and madmen are the kind of flotsam that intelligence agencies make their bread and butter out of. They often used bribery, extortion, illegal surveillance, kidnapping and indeed even assassination as what they see as legitimate tools and methods to success in whatever goal is deemed worthy at the time. Whole nations have gone to war because of false or inaccurate intelligence.

Assassination was one method that these agencies utilized as a cheap and effective tool to effect political change. It was a method that fulfilled their respective agendas and with the use of what we now call patsies or fall guys it gave covert agencies absolute distance from the actual deed itself. Assassination in this way has been used since time immemorial—the Romans and the ancient Egyptians were masters of the art. With the political and social changes of the 1960s, assassination became a tool that allowed the few to force what they wanted on the many, in societies still lost in finding their own way in an emerging new world. It was a bewildering method that no legislation and no protest movement could stop. In effect assassination was a method of control with no controls. It was at this time that the world would be made to watch many of its leading social change icons and



political leaders go down under the bullet.

First, on 12 June 1963, black civil rights activist Medgar Wiley Evers from Mississippi was murdered. Evers was assassinated as he pulled into his driveway after a meeting with civil activist lawyers. Getting out of his car, Evers was struck in the back with a bullet, and died at a local hospital 50 minutes later, just hours after President John F. Kennedy's speech advocating civil rights.

In Vietnam on 1 November 1963, with the approval of elements inside the American government (specifically the CIA), the democratically-elected South Vietnamese premier Ngo Dinh Diem was overthrown and killed by General Duong Van Minh and a cadre of military co-conspirators. Prior to the coup President Kennedy had ordered the American ambassador not to attend any meetings with Diem and assured the conspirators, behind closed doors, that America would not interfere with the assassination. After attempting to flee, Diem was captured and placed in an armoured personnel carrier, where he was shot in the head. As a result of his death a more complacent, and ultimately corrupt, pro-American government was installed in Vietnam during the war years.

The next socially significant primary target would be John F. Kennedy himself, killed on 22 November 1963, just twenty-one days after Diem was killed. Kennedy was fired upon during a motorcade through the streets of Dallas, and, depending on the version of events one believes, was hit twice by bullets fired by a lone gunman, Lee Harvey Oswald, or alternatively, was shot three or four times by a cadre of assassins firing from separate positions along the route his open-top vehicle was travelling. Despite the immense public grief over the death of such a historically significant figure as Kennedy and the public outcry it caused, political assassinations of public identities connected with social change continued unabated in the United States and abroad. In the US itself the next major target of the assassins' bullet would be Malcolm X, on 21 February 1965. He was attending a party meeting of the Nation of Islam, when a scuffle broke out and X was hit with a blast from a sawn-off shotgun. Two other men then charged the stage and fired handguns, hitting him sixteen times. Malcolm X died at 3.30 pm after arriving at a nearby hospital.

In Bolivia on 9 October 1967, Che Guevara, who at one time was Fidel Castro's right hand man, is captured after an extended battle with the Bolivian military and assassinated by special forces under the direction of Felix Rodriguez, an ex-Cuban CIA operative. Guevara was shot nine times.

Dr Martin Luther King, perhaps the most successful and influential American civil rights activist in history, was shot on 4 April 1968 in Memphis, Tennessee, whilst he was standing on the Lorraine Motel's second floor balcony by a sniper positioned in a room across the street. A single bullet entered through his right cheek and travelled down his spinal cord before lodging in his shoulder. King was pronounced dead at 7.05 pm. The death of Dr King sparked race riots in one hundred cities around the United States.

On 6 June 1968, Robert Kennedy, Presidential candidate running against Lyndon Baines Johnson and brother to John F. Kennedy, following a brief victory speech delivered just past midnight on 5 June at the Ambassador Hotel in Los Angeles, is assassinated leaving the ballroom. Kennedy went through the hotel kitchen on his way to a waiting vehicle after being told it was a shortcut, despite being advised to avoid this route due to its open area. In a crowded kitchen passageway, a lone gunman approached Kennedy dressed in the uniform of a hotel employee and fired a .22 calibre pistol

at point blank range. Kennedy was rushed to a nearby hospital but died of his injuries the following morning.

For all these deaths and the tragedy of their occurrence, along with the damage left in their aftermath, one particular case stands out as extremely unusual, and is the focus of this work. On 17 December 1967, on the island continent of Australia, Prime Minister Harold Holt, one of the few truly staunch supporters of the American effort in Vietnam, vanishes in baffling circumstances from an isolated beach on the grounds of a windswept military complex off the Victorian coast. There are reported to be no suspicious circumstances in his death, but as the title of this work suggests this is not the case, and we shall explore the death of Holt in detail in the following chapters. This, for the first time, is the real story of what happened to Harold Holt.



## CHAPTER ONE

### THE PORTSEA SETUP: DEATH AT CHEVIOT

'From the moment I put my head under the water I was caught. And I've been captured ever since.'  
Harold Holt

#### THE ASSASSINATION FILE

'In simple cases a private meeting with the subject may be arranged at a properly-cased location. If the assassin immediately sets up an outcry, playing the 'horrified witness', no alibi or surreptitious withdrawal is necessary. Falls into the sea or swiftly flowing rivers may suffice if the subject cannot swim. It will be more reliable if the assassin can arrange to attempt rescue, as he can thus be sure of the subject's death and at the same time establish a workable alibi. If the subject's personal habits make it feasible, alcohol may be used to prepare him for a contrived accident of any kind.'

CIA Assassination Manual: Freedom of Information Act 1997 FILE NO: 32741

#### DO THE HARRY HOLT

In Australian society there is a colloquial expression, 'To do the Harry Holt', meaning to run away, vanish or make oneself scarce; to do the bolt. Another version, 'Swimming with Harold Holt', relates more to the underworld crime milieu than to the general population. It is a far more sinister expression meaning that somebody has been killed and their body disposed of, usually by being weighted down with a heavy object and tossed into the ocean. In Australian underworld circles this is the equivalent of 'cement shoes'. The actual expression comes from two versions of the same true story: a story about the Australian Prime Minister Harold Holt, who disappeared whilst swimming at an isolated beach in Portsea, Victoria, in December 1967. The version that relates to Holt running away refers to rumours that Holt had fled Australia in a Chinese submarine. The second expression, we shall reveal, refers to something closer to the truth—that Holt was murdered and subsequently removed from the area whilst swimming at Cheviot Beach.

#### JUST THE FACTS, JACK

Prime Minister Harold Holt disappeared while swimming at Cheviot Beach near Portsea, Victoria, on 17 December, 1967. His body was never recovered. Without determining the cause of Holt's death, a joint report by Commonwealth and Victoria Police, submitted in January 1968, concluded that 'there has been no indication that the disappearance of the late Mr Holt was anything other than accidental'. The report found that his last movements followed a routine domestic pattern, his demeanour had been normal and that despite his knowledge of the beach, the turbulent conditions including high winds, rough seas and rip tides overcame him. The explanations put forward for a failure to find the

body included an attack by marine life, the body being carried out to sea by tides or becoming wedged in rock crevices. After three weeks of constant search by hundreds of people, including the use of helicopters, no trace of Holt was ever found. While a variety of theories have been expounded about Holt's disappearance, the Commonwealth Government did not deem a formal inquiry necessary, accepting the conclusions of the police report.

No official federal government enquiry was conducted, on the grounds that it would have been a waste of time and money. Neither was an inquest held at the time because Victorian law did not provide any mechanism for reporting presumed or suspected deaths to the Victorian Coroner. However, the Commonwealth and Victoria Police compiled a 108-page report into the disappearance, including statements from all eyewitnesses and details of the search operation.

The law in Victoria was changed in 1985, and in 2003 the Victoria Police Missing Persons Unit formally reopened 161 pre-1985 cases where drowning was suspected but no body was found. Holt's son Nicholas said that after thirty-seven years there were few surviving witnesses and no new evidence would be presented. On 2 September 2005, the Coroner's finding was that Holt had drowned in accidental circumstances on 17 December 1967. Giving evidence at the inquest, retired police Deputy Commissioner Mr Lawrence Newell, now 85, said the incident was an accidental drowning. 'I have matter put forward that it was by arrangement and a conspiracy,' he said. 'There were a number of conjectures put forward, and I thought about them carefully and none of them seemed to me to be at all credible.' Mr Johnston said the overwhelming weight of evidence pointed to drowning. 'The various individual witnesses accounts, whilst having a different perspective of the lead-up and the incident ... confirm the facts in ways not possible unless they are describing the truth of what actually happened,' he said.

Portsea Surf Life Saving Club president Milton Naphine, a friend of Mr Holt, said: 'He knew damn well that the surf was too high. God only knows why he went in for a swim.' This book will reveal why Holt died and what actually happened on Cheviot Beach on that fateful day in 1967. There are many questions that do not tally with the official version of the events that took place over that tragic weekend which should have made the authorities suspicious. What follows is the true account of how the events actually unfolded on the days leading up to and after the assassination of Prime Minister Harold Holt, and for the first time the people involved in his killing will be named.

#### DEALING WITH THE WILDER CONSPIRACY THEORIES

There were many theories presented to explain Holt's disappearance. Some believed the CIA killed Holt because they thought he was about to take Australia out of Vietnam, given the strong opposition to the war by many Australians. This theory doesn't warrant any merit, given that Holt had pledged during a visit to the White House in 1966 to go 'all the way with LBJ', referring to the then American President, Lyndon B. Johnson.

On a visit to the United States in late June 1966, Holt gave a speech in Washington in the presence of President Johnson. Reported in *The Australian* on 1 July 1966, Holt's speech concluded with a remark which has come to be seen as encapsulating his unquestioning support for Johnson, for America's Vietnam War policy and for continued Australian military involvement in the conflict:



'You have in us not merely an understanding friend but one staunch in the belief of the need for our presence in Vietnam. We are not there because of our friendship, we are there because, like you, we believe it is right to be there and, like you, we shall stay there as long as it seems necessary to achieve the purposes of the South Vietnamese Government and the purposes that we join in formulating and progressing together. And so, sir, in the lonelier and perhaps even more disheartening moments which come to any national leader, I hope there will be a corner of your mind and heart which takes cheer from the fact that you have an admiring friend, a staunch friend that will be all the way with LBJ.'

Following his visit to Washington, Holt went on to London and in a speech given on 7 July he was sharply critical of Great Britain, France and other US allies that had refused to commit troops to the Vietnam conflict. Confronting these nations over a lack of troop commitment to the conflict is hardly the action of a man about to remove military backing from the most powerful nation on earth. To finalize these arguments it must be noted that on 20 December 1966, Holt announced that Australia's military force in Vietnam was to be increased again to 6,300 troops, plus an additional twelve tanks, two minesweepers and eight bombers. His American alliance support was further shown in December of that year when Australia signed an agreement which would allow the US to establish a communications facility at Pine Gap in the Northern Territory.

Another theory was presented by British author Anthony Grey in 1983, suggesting that Harold Holt was in fact a communist spy, and upon fear of being caught fled Australia from Cheviot Beach in, of all things, a Chinese midget submarine. This is perhaps the most laughable of all conspiracy theories as Holt was nothing if not a pro-American politician. The bizarre allegation that Holt was a Chinese spy was made to Grey in 1983 by former Royal Australian Navy Lieutenant Commander Ronald Titcombe, MBE, who contacted Grey claiming to know what happened to Holt after he disappeared. At a meeting in London, Titcombe handed over a manuscript containing the story on which Grey based his book *The Prime Minister Was a Spy*, a purported expose of how Holt had been in thrall to the Chinese for decades. Grey sourced the claim to a former RAN officer, but did not use his name, because Titcombe wanted anonymity.

Titcombe's original claim was that he had been on duty in naval headquarters in Canberra on the day Holt disappeared, became suspicious of the official account and later, after picking up a hint in Baghdad, pieced together his story through extensive inquiries. Indeed Titcombe was involved in Holt's death, but his submarine story was an attempt at spin-doctoring events surrounding Holt's death.

Finally there is the suggestion that the CIA assassinated Holt because he was going to close an American satellite tracking base at Pine Gap in the Northern Territory. This theory also warrants no merit as it was Holt who welcomed the US proposal to establish the base in the first place. Declassified Cabinet papers along with Holt's own personal correspondence with US President Johnson confirm that Holt was firmly behind the establishment and expansion of the Pine Gap facility—in fact there was a budget put forward that outlined Australia's voluntary and very substantial financial contributions towards the construction and expansion of the base.

## DIFFERENT VERSIONS, ONE EVENT

This work will look at the many and varied accounts of what happened the day Holt disappeared. For the most part there are two versions of account. There are comments and statements made to various reporters and printed in the media of the time, which are interesting because they seem to have a flair and a life to them that only the individual people involved could facilitate. The comments are polished and individualistic. They have an emotion to them and they 'feel right'. They also differ in style wildly from the second version of events, which is the official police report, made by the joint Commonwealth and state police. This 108-page document was compiled on 5 January 1968 at Victoria Police headquarters, in the old Trans Australia Airlines (TAA) building in Franklin St, Melbourne. Whilst events quoted by witnesses in the media articles relate essentially the same story (that Holt went for a swim and vanished) the actual small details are vastly different than those in the police report.

The two principle witnesses to Holt's disappearance cited in the report were Alan Stewart and Marjorie Gillespie. Stewart and Gillespie's statements are robotic and methodical and when compared to Police Inspector Jackson's summing up and conclusions read almost like Jackson himself wrote the statements. A fact not commonly known is that American newspapers and wire services were reporting statements made to them by Stewart and Marjorie Gillespie days before the two were formally interviewed by Victoria Police. These media statements do not entirely match the accounts as reported by Inspector Jackson. We shall give examples of this in later chapters taking direct comparison from Stewart and Gillespie's words and phrases and those of Inspector Jackson in his notations and summary.

The police statements from the other two people who were on the beach at the time but did not see Holt even enter the water, Robert Martin Simpson and Vyner Gillespie, read differently. Simpson and Vyner Gillespie's words seem to read true and fluid and appear to be in their own words.

### 15-17 DECEMBER 1967

On Friday, 15 December, Prime Minister Harold Holt flew to Melbourne from Canberra in an RAAF VIP plane and later drove his own maroon Pontiac Parisienne to Portsea. He had an early night and played tennis with friends the next day. Early Sunday morning Holt spent time with his stepson Nicholas, reading the Sydney papers and playing with his granddaughter Sophie in the garden, before going to visit his friends, the Gillespies, at their home, which was followed by the fateful trip to Cheviot Beach. As Nicholas Holt was one of the last people to see Harold Holt prior to his going to the Gillespie home, it is well worth reading Nicholas's police statement as it applies to Harold Holt's last movements, from the time Nicholas and his wife and daughter arrive at Portsea on Saturday night and meet up with the Prime Minister at his Weroona estate house on Saturday 16 December.

### NICHOLAS HOLT'S POLICE STATEMENT

Mr Harold Edward Holt was my stepfather. I usually refer to him as my father.  
On Saturday 16th December 1967, I went to his weekend home at 'Weroona' estate at Portsea. I went with my wife Caroline and my baby daughter Sophie.

We arrived at about 5 pm, my father had just arrived back after playing tennis, I think with Dr Edwards, Winton Gillespie and others.

About 6.30 pm we went to the home of Mr Steve Martin. Caroline and I went in our car, my father went in his car. At the Martin home we had a couple of drinks. It was a wedding anniversary and there were about thirty guests.

We did not stay very long and returned in our respective cars to our home where we had dinner. We had a number of guests for dinner, about fourteen altogether, it was an informal get together, mostly friends and their families.

My father was in very good spirits and after dinner we went next door to Mr Edgar's home where we enjoyed some stereo music. On the next morning, Sunday, I again saw my father, he was in good health and spirits.

He went and got the Sydney papers, we read them and then he spent some time in the garden with my daughter Sophie. About 10 am I was in the car parking area in the garden when my father was talking to Jonathan Edgar about crayfish they had caught the previous weekend, and then they were making arrangements to go spearfishing about 4 pm that afternoon. With my wife and daughter I then went to the beach on the bayside of the pier.

That would be the last time any Holt family member would see the Prime Minister alive. Nicholas Holt had made the decision to take his wife and child to the safe, harboured, pier beach in Portsea whilst his father later found himself at the far more dangerous Cheviot. Holt had been swimming there since 1926, when as an unmarried law student he began visiting the beach with Zara and her family. And, as a strong swimmer, he had often plunged into rougher waters.

After spending the morning with his son-in-law and step-niece, Holt left with a small group of people and drove to Point Nepean to see British lone yachtsman Alec Rose sail through Port Phillip Heads in his boat *Lively Lady* on his solo circumnavigation of the globe. Holt had then organized to be at a barbecue at a friend's house, a Mr Jonathan Edgar Scott, around midday after watching the event. Scott had informed his cook 'Tiny' to expect Holt and others at that time. As Holt had arrived at the Gillespies' house at 11.15 am it can be assumed he knew that watching the *Lively Lady* enter Port Phillip Bay wouldn't take up much of his time, but why was Holt even at the Gillespie house that morning?

### THE GILLESPIE TRYST

Days before Holt found himself in the waters off Cheviot Beach, he drove himself in his Pontiac from his Melbourne offices to Portsea. Interestingly enough, Holt had travelled all the way from Canberra with his housekeeper Mrs Lawless only to leave her to her own travel arrangements and make the remaining journey on his own. However there was an ulterior motive in Holt's travel plans. He had been having an affair with a married woman for some time, at least as long as the Holts had owned the Weroona estate at Portsea. Marjorie and Winton Gillespie, along with their teenage daughter Vynner, lived as neighbours near the Holt holiday home. The Gillespie's also used Weroona as a weekend coastal retreat.



As Holt approached his holiday house he stopped at a Sorrento fish market and met up with Marjorie Gillespie prior to meeting his son Nicholas and Mrs Lawless, the housekeeper. It can be assumed that this meeting was no coincidence, but rather a way for the two people to talk in private about the events that were to take place that weekend. As the two people, it transpired, were involved in an affair, it's fair to say that openly talking to each other about their personal situation wouldn't be possible in their busy respective households.

Marjorie Gillespie had travelled to Sorrento on her own, while her husband Winton had apparently arrived at the holiday home earlier that morning, more than likely arranged that way by Marjorie so she could meet with Holt. As to the actual meeting, Marjorie Gillespie in the official police report states the following: 'Mr Holt arrived on Friday around the same time as myself. Actually on the way down I called at Johnson's fish store at Sorrento, to get some fish, when I stopped there I saw Mr Holt's car pulled up facing Melbourne. Mr Holt was also buying fish and we talked for some time. I left before Mr Holt to do some other shopping after arranging to have a drink at our home later that evening. In fact Mr Holt came to our home at 6.45 pm and we all had a drink together. He did not stay for dinner.' Although one can view this meeting as nothing more than a coincidence, as police at the time did, in the months that followed after Holt had vanished in the waters off Cheviot, Gillespie was interviewed by an author named Simon Warrender and admitted to aspects of their ongoing affair. This piece of writing came under scrutiny in Canberra and caused a minor storm to the point where a House of Representatives notice paper was issued which states: 'Has the Attorney-General's attention been drawn to page 164 of the book *Score of Years* by Simon Warrender, DSC, which states a Marjorie Gillespie has withheld information from the Commonwealth Police concerning the movements of the late Harold Holt during the 24 hours prior to his death?' In the actual interview that Warrender conducted with Gillespie, she revealed details of the affair with Holt but had said that she would not reveal what happened in those intimate meetings until twenty years after the death of Holt. When questioned by Warrender as to why she had not informed the police of this Gillespie replied 'Why should I give the keys of my heart to the Commonwealth Police?' In later years the Holt/Gillespie affair became common knowledge to a point where Zara Holt herself shrugged the affair off as just another Harold fling, meaning that Zara had known of Harold's wandering eye for quite some time. Of course this attitude does not mean she was not indignant regarding Holt's extramarital activities.

#### A DAY AT THE BEACH?

According to the police report, at around 11.15 am, Holt having phoned ahead stopped at the Gillespies' house and set off with the small group. Marjorie Gillespie was alone with Holt in the front seat of his car headed for Point Nepean, followed in a second car by young businessman Alan Stewart with Marjorie's 20-year-old daughter Vyner, and her friend, medical student Robert Simpson, aged 19. The party drove through an army checkpoint and on to the Point Nepean carpark where they watched the sailing event with several military personnel. The spectacle of the *Lively Lady* entering Port Phillip was over in around five minutes, whereupon the group discussed what to do next. Apparently Holt suggested a swim and some sunbaking, so they ventured to nearby Cheviot Beach, a lonely, rocky stretch and one of the most dangerous beaches in the Portsea area. When the five

arrived, the tide was at crest, and chunks of sawn wood and flotsam bobbed about on the surface and littered the sand. The actual condition of the surf seems open to conjecture, witnesses describing it as both turbulent and calm at the same time.

Holt drove down a narrow track that lead to Cheviot Bay and parked his car. Stewart followed and parked directly behind Holt's car, effectively blocking in Holts vehicle. The five people then collected a few items and walked down to the beach. Holt, having forgotten his bathers, returned to his vehicle letting the group get ahead of him. They walked and chatted about various things, none of which are noted in the official account of events, finally arriving at the beach. By this time Holt had not only caught up to the group, he had overtaken them at a frantic pace, according to police statements. Holt is reported as having strode ahead in order to change into his bathers behind a large rock. 'The Prime Minister must be a lot fitter than we are. There he goes, striding along like Marco Polo,' remarked Stewart somewhat snidely in a comment made earlier to a member of the media, and not reflected in the police report. Interestingly enough, the Gillespie's and Stewart were already wearing their own bathers, indicating that they were prepared to be at a beach. Robert Simpson and Holt were the only people dressed inappropriately for a swim, with Simpson wearing jeans and Holt wearing walking shorts, which would make sense if he were expecting to attend an informal barbecue soon after watching Rose arrive at Port Phillip.

As Holt emerged from behind the boulder, having changed into his bathers, the group caught up to him and had a conversation of which almost no one can remember the details, other than some of it referring to the conditions of the surf. Marjorie Gillespie, Vyner Gillespie and Robert Simpson then separated from the group and walked off in different directions along the beach leaving Holt alone with Stewart. Holt's reputed last comments to Stewart were overheard by Vyner as she walked away with Simpson: 'The tide's a bit high but don't worry, I know this beach like the back of my hand.' Holt strolled down the beach and then either plunged into the water, based on one statement, or alternately waded into the surf and swam out, as reported in another statement. Stewart on the shore watched Holt swim for a few moments and then entered the water himself. After a few moments he glimpsed Holt on the crest of a wave and then the Prime Minister vanished, never to be seen again. A local fisherman accounts for Holt's death in the official police report: 'As Holt swam into deeper water, he appeared to enter the end of a Y-shaped pool near a rock ledge, which was hidden by the sea. The tail of the Y was the outlet from the rock ledge and affected by a strong undertow of several knots' strength. Holt was enveloped by swirling, turbulent water that appeared to drag him further out to sea.' This small piece of local knowledge is used to good effect in the police report, as it gives a physical reason as to how and why Holt may have been dragged out to sea.

What is not answered is why Holt did not avoid this dangerous channel, if indeed he had been diving in those waters since 1926. Holt, it can be reasoned, having swam and dived at Cheviot Beach for many years, would have known to avoid the Y-shaped channel, particularly if conditions were rough. In any case, according to the police report, Alan Stewart witnessed Holt entering this dangerous rip area and vanishing without a trace.

Of particular note in this matter is Alan Stewart himself, who was the last person to talk to Holt and also the last person to see Holt alive. In fact, initially, the public was led to believe that only Alan

Stewart was with Holt when he went missing. So who was Alan Stewart?

He is reported as being a house guest of the Gillespie's, originally from Armadale, and the 'chief', meaning manager, of the quarantine station not far from Cheviot Beach. The station also houses Fort Pearce and Fort Nepean, an old coastal defence position built in 1882 which at one time was the most heavily fortified base in the southern hemisphere. The complex contains myriad underground tunnels, and is the officer cadet training facility in the area. In other words, Cheviot Beach was on the fringe of a military base and Stewart was reported early on to be heavily involved in its operation. Stewart states in the police report that he was also the proprietor of a company called Eden Industries, based in Ringwood, Melbourne.

Stewart's account of events and the way he dealt with the military on the day of Holt's death is unusual. Stewart comfortably issues orders and commands and smoothly seems to know the working of the military chain of command system. In fact Stewart seems to have some authority over the base's duty officer, Captain Peter John Schuman. Stewart orders the gate guard duty NCO (non-commissioned officer) Corporal Neville Woods to contact Captain Schuman, after which Stewart orders Schuman to organize an air search. Demanding that Captain Schuman not reveal to the public that the Prime Minister had vanished, Stewart then contacts police headquarters and announces to them Holt's disappearance and in turn orders the police to send air teams to search for Holt. Not something the average civilian should be able to do in a panicked state, given the extraordinary circumstances of a Prime Minister of Australia appearing to have drowned in his company. And yet Stewart handles the situation quite smoothly.

There were many witness statements taken by police on 20 December 1967. Civilians in the immediate area were questioned, as were several military personnel and members of the scientific community. The police report is full of these statements. We have included selected parts of these statements that are not widely known by the general public and that are of particular interest to this work. Primarily we have focused on the statements made by Marjorie Gillespie and Stewart as these are most pertinent in proving that all was not as it seemed on that day.

The word *anomaly* describes something that is unexplained or out of place. It pertains to something that does not make sense and stands out as unusual. The entire investigation concerning the disappearance of Prime Minister Harold Holt is literally peppered with many glaring anomalies. We shall start by examining Alan Stewart's official police account of that day, and will refer to this account and make comparisons to what Inspector Jackson included in the police report, along with what Stewart had said in the media prior to the writing of Jackson's report. Even Stewart's identity and relationship to Holt and the military is shrouded in mystery. A mystery that until now has not been examined. Was Alan Stewart working for the government? There is a statement released by the Deputy Prime Minister at the time of Holt's death, which makes mention of Stewart and his official status that we shall quote in due course. To begin we shall deal with Stewart's official statements of events that took place that day.

## THE MULTIPLE STATEMENTS OF ALAN STEWART

### THE ORIGINAL STEWART STATEMENT VS THE OFFICIAL POLICE STATEMENT

Buried amongst a jumble of random files belonging to Holt's successor John McEwen (also known as 'Black Jack'), and housed at the National Archives of Australia, are two pieces of paper lost to history. They are the first two pages of Alan Stewart's original statement made on the day that Holt disappeared off the coast of Cheviot Beach in 1967. The pages are part of a larger teleprinter message sent to the Attorney-General's office that day. Although the bulk of the statement is approximately the same as the official police investigations version of events, there are some glaring anomalies in its content. Specifically the timeframe of events as well as the actual way the statement is written, which differ in detail and content to the police report.

Herein we shall quote from Stewart's original statement and then follow on with quotations from the official police report version, highlighting how Stewart's comments were altered by the police investigators. To begin with we shall take up events on the morning of 17 December (the day Holt went missing), concerning Holt's arrival at the Gillespie household and then actually getting to Cheviot Beach.

#### ORIGINAL STATEMENT

Stewart: This morning the 17/12/67 I had breakfast at about 10 am and then Mr Holt, the Prime Minister, who has a holiday home two houses down from 'Weroona', came to the house and invited Mrs Gillespie and other members of the household to go to the quarantine station back beach with him. I said I would like to go with them and at about 11 am Mrs Gillespie, Vyner Gillespie and a young chap called Martin, I don't know his surname, and myself accompanied Mr Holt to the quarantine station. Mrs Gillespie went with Mr Holt and the rest of us went in another car. We drove to the back beach and parked the cars about 50 yards off the bitumen road and then we all walked down to the beach, which would be a further 100 yards or so further on.

#### OFFICIAL POLICE STATEMENT

Stewart: On the morning of 17 December, 1967, after breakfast in the vicinity of 10 am, Mr Holt (the Prime Minister) who has a holiday residence on the Weroona estate came to the house in the vicinity of 11 am. He contacted Mrs Gillespie and extended an invitation for herself and other members of the household to accompany him to the quarantine back beach. I was included in the party to the beach at the invitation of Mrs Gillespie.

At about 11.15 am the party consisting of Mrs Gillespie, Vyner Gillespie, her daughter, and a young man called Martin Simpson and myself accompanied Mr Holt to the quarantine station. Two vehicles were involved in the transportation. I drove one and it contained Vyner Gillespie and Martin Simpson as passengers. This car belonged to Mr John Macintosh and is a white Holden station wagon. Mr Holt drove in his own vehicle, a maroon coloured Pontiac, and he had as passenger Mrs Gillespie. She occupied the front seat. We passed through the main entrance to the quarantine station and we stopped as we entered the area and Mr Holt cleared the entry with the army guard by announcing himself as Prime Minister.

We continued along the bitumen roadway inside the area and followed the coast on the ocean side as far as we could go and we eventually stopped by a road block. This would be, I think, about half a mile from the headland and old fort.



The purpose of this journey as far as we went was to see the *Lively Lady* and her skipper Rose entering the bay at the end of his journey from England.

We alighted from our cars and took up a point of vantage within a few yards of the car. We had a look at the *Lively Lady* and we were all together at this time in a group.

We remained there for four or five minutes. We re-entered our cars in the same groupings and re-traced our journey. At the outset a remark was made by one of the group, I think it was Mr Holt, to the effect to travel slowly and watch the damage to the cars. We travelled back something like a half a mile to the turnoff to the right which appeared to be fairly well used. We drove down this track as far as we could go, a distance of about 300 yards and then we turned and re-traced our tracks and then stopped about 100 yards from where we turned. We parked the vehicles, my vehicle being parked behind Mr Holt's vehicle which was nose into the scrub and off the road. On alighting from the vehicle I could see the bay below the cliff and I knew it to be Cheviot Bay and from the conversation that was our destination.

The first few points of contention in these two differing statements made by Stewart concern the timing of events and what the group was actually doing in the area in the first place. Stewart originally claims that Holt arrived at the Gillespie household at just after 10 am. This was altered, confusingly, to Holt arriving at both 10 am and 11 am in the latter police version. In the original version Stewart says that he himself requested to go with Holt to Cheviot Beach, whilst in the latter version he states that he was invited by Gillespie. There is also no mention of the group actually watching Alec Rose sail through Port Phillip Head, rather by its omission they went directly to Cheviot Beach. From this point on the group proceed down a steep sandy embankment cut with a rough pathway, leading down to the isolated location. Stewart's original statement goes on to describe the events that follow the group's arrival at the military-controlled beach area, and once again are worded far differently than the robotic, methodical comments noted in the official version of Stewart's statement.

#### ORIGINAL STATEMENT

Stewart: We arrived at the beach at about 11.30 am, I am not sure of that time because I did not bring my watch but it would have been about a half an hour after leaving the house. Five of us then walked along the beach in the direction of the Portsea back beach for about 400 yards and then placed our towels on the beach. Nobody brought any other equipment with them. There had been no mention of anybody doing any skin diving. When we arrived at the beach there was a high tide and a big surf running. It was a pretty wild surf. The water was very turbulent and covered in white foam. When we arrived at that destination we discussed things in general and also spoke of crayfishing.

#### OFFICIAL POLICE STATEMENT

Stewart: In the main the group had swimming costumes and a towel but I am not sure about Martin Simpson, he was dressed in long jeans and I am not sure about him. Mrs Gillespie and Vyner Gillespie had on bikinis and top shirts or blouse was dressed in swimming trunks and windcheater and bare footed. Mr Holt had on sandshoes and to the best of my knowledge walk shorts and a shirt the colours of which I cannot recall.

Mr Holt handed Martin Simpson a pair of sandals as he was barefooted before moving off and after travelling a short distance returned to the car as he had forgotten his swim trunks.

We then walked along a fairly well defined track to a point where we went down a fairly steep sand dune to the beach and at this point of entry onto the beach the water was no more than ten yards away. This indicated to me that it was high tide. There was a fair bit of discussion at this point as we made our way along the beach, in relation to the masses of driftwood, mainly sawn planks of varying sizes and thickness. We picked our way through this timber along the beach and over rocks and in the course of this journey Mr Holt gradually drew ahead. The distance was increased by reason of the fact that we stopped to put gear in Gillespie's bag whilst Mr Holt carried on at a fairly fast pace. At this point I was carrying a string bag belonging to Mr Holt which he had left on the side of the track and this contained personal articles as far as I could see. I would say the distance between the party and Mr Holt would have been fifty yards at most.

We carried on along the beach and Mr Holt disappeared out of sight behind a rock outcrop. In reflection I feel at this point he changed into his swimming costume because he had been carrying his costume.

We then joined Mr Holt at this rock and he had changed into his costume. I'm not sure if Mr Holt was wearing his sandals or not. As a group we walked to a point on the beach about twenty yards past the point where we had joined Mr Holt and placed our belongings towels etc etc on the sand. We all remained in a group chatting and I noticed that the tide was very high and the surf was very turbulent. In fact the biggest I had seen on that beach. I have visited the area on a previous occasion when it was calm. I cannot remember anything specific but I feel there was some discussion among the five of us as to the prevailing conditions on the beach. I feel sure that there was no specific mention of danger but I can say that danger was subconsciously on my mind as I knew that I would not be venturing too far out due to the turbulence and general conditions.

In his original statement Stewart makes two comments that are not reflected in the police report. He categorically states that the group brought with them no equipment other than towels and yet in the police statement he makes particular note of the fact that they had with them a string bag containing drinks and other items, and although this may seem trivial we shall show that this innocuous bag will help highlight that all was not as it seemed that day. Stewart in his original statement also admits that he and Holt had a conversation regarding crayfishing.

#### ORIGINAL STATEMENT

Stewart: After a short time Mr Holt went into the water and swam out into deep water. I followed him into the water after a few minutes. I did not go out much further than 20 yards from the shore and I could see that Mr Holt was some 40 yards approximately further out than I was.

I did not intend to go where he was because I knew that I did not know the water as well as he did. I stayed in the water for about five or ten minutes and during this time I observed Mr Holt swimming about further out. Mrs Gillespie also entered the water during the time I was having a swim. Just prior to us going for a swim Vyner and Martin went for a walk along the beach.

When I left the water I looked about I could not see Mr Holt. I kept looking for a few minutes and then I went up onto a rock to get a better view. Mrs Gillespie was on the beach also looking. We looked for some time but were unable to see him in the water at all. At this time the surf had built up and appeared to me to be heavier than before. I had noticed that when I had been in swimming. During the time we were looking Vyner and Martin returned to where I was. None of us could see Mr Holt and I then decided to go for help. I ran back along the beach to where the car was parked and I drove to the main gate of the quarantine station. There I asked the soldier at the gate to get the officer on the phone. I spoke to an officer on the phone and told him what had happened. I had an idea that there was a helicopter in the area and I was hoping that they could assist. It was clear to me that there was not much the army could do to help at this stage by virtue that they did not have a helicopter and I tried to contact the local police. They were engaged and I then spoke direct to D24. I told them the position.

I then stayed at the main gate while D24 organized help.

When we first arrived at the beach Mr Holt was in good spirits and made no complaint about feeling unwell or anything like that. Mr Holt and none of the party with us on the beach had anything at all to eat or drink after leaving 'Weroona'. I am a reasonably competent swimmer but did not feel that I could have handled the conditions in the water where Mr Holt was swimming. There was a strong undertow running directly out from the area that I was swimming in. The water was dirty with large pieces of driftwood and kelp. Some of the pieces of driftwood or plank were up to five feet long. I noticed that when I was looking for Mr Holt. I could see them as the waves were breaking.

#### OFFICIAL POLICE STATEMENT

Stewart: The group began to break up as far as I can recall, firstly I after removing my shirt moved towards the water's edge to test the water with the object of making up my mind whether to swim or not.

As far as I can recall Gillespie moved off to the Portsea end of the beach, she returned later but before she returned Mr Holt had already entered the water. I walked towards the water's edge and then returned to where Gillespie was sitting in the sand on her own as the other two had walked away along the beach also in the direction of Portsea.

I said to Mrs Gillespie that if Mr Holt can take it I had better go in too. I then left her and entered the water, at no time did I venture out past about 35 yards diagonally at this point there is a deep pool and I felt a tremendous undertow around my legs, however I continued to swim in this vicinity. During this period of swimming I could see Mr Holt further out ahead of me and he was swimming from me quietly on the occasion that I saw him. I noticed Mr Holt to be swimming in the midst of what I consider to be dangerous turbulence which to my mind had built up from the short time that I found myself on the edge of the pool I have mentioned and whilst I was having my swim in the vicinity. At no stage was I out of my depth I was in shallow water and could stand up and I saw Mrs Gillespie on the edge of the water about knee deep and as I made my way I noticed her looking intently beyond me in the direction of where I last saw Mr Holt. I joined Gillespie in the shallows and also looked to see whether I could see Mr Holt, I looked because I feel that Mrs Gillespie said 'Where is he?' and I immediately joined her in looking for Mr Holt we stayed for a few minutes trying to locate him without

any results he was nowhere to be seen and I felt that Mrs Gillespie was getting upset and I left the water, past Mrs Gillespie and I went in the direction of a large rock in the middle of the beach to use as a point of vantage.

I climbed the rock in order to see better but from this position I was unable to see any sign of Mr Holt. I scanned the surf and searched the beach in all directions and I could not see a single soul. Mrs Gillespie joined me on the beach near the rock and together we could not see Mr Holt. At this point we were joined by Martin and Vyner as well as looking in the surf for Mr Holt just prior to this I said to Mrs Gillespie 'Does Mr Holt usually stay in as long as this?' To which she replied 'No never!' As a group we were extremely alarmed at this stage and it was suggested by Mrs Gillespie that I should go for help. I wasted no time and ran along the beach re-tracing our line of entry. On arrival at the car I had travelled in I jumped in and travelled as fast as possible to the front entrance main gate. On the way I overtook two vehicles and I'm afraid I was travelling excessively and on arrival I braked suddenly and alighted where upon I was spoken to by the occupants of one of the vehicles where upon their opening remark was 'Watch your speed' or something to this effect. I disregarded this and hurried towards the army guard and requested to him to get his commanding officer on the phone in a hurry and in short title explained the position to him saying 'Mr Holt is in difficulties would you get your commanding officer on the phone urgently.' He used the telephone and spoke to his officer who was handed over to me and I spoke to him. Quickly I informed him of the circumstances and then broke off the conversation. I then tried to raise the Sorrento police and was unsuccessful as they were engaged and then I telephoned the Sorrento exchange and by this medium I contacted D24. The situation was explained to D24 and I was on an open line and as I was explaining I could hear the instructions going out to marshal their facilities and send aid as fast as possible. I then hung up and it was evident that the two persons that had spoken to me in the car I had overtaken had overheard my conversation with D24. In any case they informed me immediately that they were skin divers and prepared to assist. I accepted the offer and they left the area and returned a short time later to where I was at the main gate and I directed them to Cheviot Bay and the scene of the occurrence. I do not know their names but I was appreciative of their ready and quick assistance. As arranged with D24 and at their request I remained at the gate and awaited further assistance and contact. After their investigation I contacted the army authorities on the quarantine station and requested possible details of aircraft landing fields at the site and I passed this information to D24. I remained at the entrance and when the Portsea lifesaving group arrived I led the way back to Cheviot Beach. On arrival at the point where Mr Holt's car was parked I met Mrs Gillespie, Vyner and Martin Simpson, also present at this point was Mr Jack Edgar and Max Welsh, they received some directions from Mrs Gillespie and then moved away. I don't know where they went. At this point the lifesaving group, about six in number moved down the track to the scene of the occurrences. I then drove Mrs Gillespie, Vyner and Martin Simpson home. Returning shortly after to the beach to watch rescue operations.

I have no intimate knowledge and have formed no opinion of Mr Holt's ability as a swimmer or underwater diver. I have not known him to take unnecessary risks in the water on the occasions I have seen him swimming and being the stable person that he obviously is could not imagine him



taking unnecessary risks in the water and I feel that his actions would be calculated and within his proven ability. At all times when Mr Holt was visible in the water he appeared to be in full control and as such there was no reason for any alarm.

The official police statement here has a lot more detail than Stewart's original statement. There originally was no mention made of Stewart joining Marjorie Gillespie on the sand prior to him entering the water. In the original, Stewart goes into the water moments after Holt. Significantly, however, in the original, Stewart makes mention of a helicopter already being in the area. This chopper, as it turns out, was a Trans Australian Airlines (TAA) helicopter owned by Sir Reginald Ansett. Just what that helicopter was doing in the area is also very significant and its existence is completely removed from the official police statement.

In the official version Stewart seems to make great effort to note that whilst Holt was in his view he was swimming calmly and appeared to be in full control of his actions. This indicates that whatever happened to Holt was swift and final, as drowning is far from a calm way to die. There would likely have been some thrashing about in the water or at least a visible struggle prior to Holt going under for the last time. Even Marjorie Gillespie claims (as we shall see) to have seen Holt being taken out 'like a leaf', yet Stewart, the principal witness, indicates in his original statement that Holt was simply there in the water, swimming calmly and then he was just gone.

Stewart also reveals that he had seen Holt swimming on other occasions at the beach. This goes some way in proving that he had access to this area, being a beach on military controlled grounds that required some type of official entry permit to gain access to. The National Archives of Australia has copies of the official gate entry permits that Holt had put together so that he and his friends could access the area for recreational spearfishing. If Stewart was in fact involved in the operation of the government quarantine facility it would stand as reasonable that members of the local military would know who Stewart was and let him onto the property.

As of this writing the only version of witness accounts other than Stewart's original statements are contained in the official police statements. It is still possible that other original statements exist and these could quite conceivably contain details not in the official version of events as they transpired that day. Here we shall examine Marjorie Gillespie's official version of what happened to Holt that day on Cheviot Beach.

#### POLICE STATEMENT OF MARJORIE GILLESPIE

The statement of Marjorie Gillespie matches that of Stewart from the time they departed her home until they watched Rose sail into Port Phillip Bay. We have included only the part of her statement that deals with being on the beach so as to save the reader the burden of reading the same story twice. On Saturday night Holt had drinks with Marjorie and her husband Winton, John Macintosh and Alan Stewart at 6.45 pm but didn't stay for dinner. The next day, she said, they saw Holt play tennis with Dr Edwards and others. Gillespie states that Holt arrived at 11.15 am and that they left her house to see the yachtsman Alec Rose at 11.30 am. They drive to Point Nepean in two cars and watch the event with other people already present. They then drive to Cheviot Beach and Holt changes behind the

large rock.

GILLESPIE: I noticed the tide was high but not unduly rough at this stage. The sea beyond where it was breaking appeared to be calm. I then moved off towards the Portsea end of the beach. I strolled almost to the end of the beach then turned and made my way back. When about three quarters of the way back I noticed Harold detach himself from the group where he had been talking. He went diagonally towards the water. He went in without any apparent hesitation and commenced to swim in that area. At about this time I spoke to Martin and Vyner as they passed me going to the Portsea end of the beach. I went up to where our things were on the beach and wondered whether to stay there or not as I looked back and did not like what I saw. I mean by this I was wishing he would come out of the water. I ran down to where Alan was standing in the water and I looked out towards where Mr Holt was swimming. Alan said 'Does he usually stay out this long?' I saw that Harold was still swimming but seemed to be getting further away all the time and I felt very strongly that all was not well. I watched Harold continuously and the water became turbulent around him very suddenly and seemed to boil and these conditions seemed to swamp him. I lost sight of him and did not see him in spite of continued observance. Alan was up and trying to see Harold and we both went up to a huge rock in the centre of the beach and we stood on the rock as a vantage point. We couldn't see him and we were joined by Martin and Vyner.

Stewart departs for the guardhouse to report Holt's disappearance.

GILLESPIE: We remained on the beach scanning the surf for some sign without seeing anything and after about five or ten minutes we collected our things and gradually made our way back along the beach at the same time still looking. On arrival at the clifftop we remained there and waited for Alan to return. While we were there people commenced to arrive and the first were two skin divers in a truck. They went immediately down to the water. Later when Alan arrived he drove us back to the house and I think he went back to the beach.

#### VASTLY DIFFERENT MEDIA STATEMENTS

Events leading up to Harold Holt entering the surf at Cheviot Beach are sketchy, the details obtained by police at the time primarily involve statements taken from Stewart and Gillespie on 20 December 1967, a full three days after the event. And yet the US media were reporting statements made by Stewart and Gillespie on 17 December, printed in various newspapers around the United States. These media statements contain information not in the Victoria police report and also not in Stewart's statement sent to the Attorney-General's office on 17 December. Little or no reference is made to Robert Martin Simpson and Vyner Gillespie by the media, even though they were also with Holt on the return trip from Port Phillip and by inference also at Cheviot Beach the day Holt supposedly drowned.

Another strange fact is that one report has Holt going for a swim in rough surf wearing firstly sneakers and in another, earlier report he is wearing sandals. This was later attributed to the swim being a last

minute decision by Holt. This is unusual considering Holt was an avid surf swimmer and he would have known that swimming in shoes when conditions are rough is highly dangerous. Stewart also informed media sources that Holt had gone into the water then re-emerged from the surf, climbed onto his favourite rock and used it as a diving platform to plunge back into the ocean.

#### EVENTS AS REPORTED IN MEDIA INTERVIEWS

American media began running stories and statements about Holt's death on 17 December 1967, a full two days before the Australian police had taken official statements from actual witnesses. Most of the statements come from Alan Stewart and conflict wildly with the later official police report, of which makes no mention of Holt swimming out to a rock and jumping off before vanishing. Press clippings held in the Australian National Archive present facts not in the police report. Included is an article from the *Chicago Tribune* which states Holt didn't even see Rose sail into Port Phillip Bay, that he, Gillespie, Stewart and Simpson had missed the spectacle completely.

The *Chicago Sun Times* reported that 'Holt lost contact with the quarantine officer while they were swimming together'. This is another early reference to Stewart working at the base, which the police report promptly changes a few days later. The *New York Times* quoted Stewart as saying that Holt 'kicked off his sandals, took off his shirt and went into the water'. Later reports stated that Holt was wearing sandshoes, not sandals, and that he wore them into the surf after changing into bathers behind a rock. The *New York Times* reported that 'A friend, Mr Alan Stewart, 30, of Elm Grove, Armadale, said he saw Mr Holt go into the surf about 11.15 am. Later he saw Mr Holt dive from a rock—his favorite "diving-board". Mr Stewart said he had met Mr Holt on the beach.' The paper also states that 'Mr Holt had been looking for crayfish with Alan Stewart who was in charge of the local quarantine station.'

Other press articles provide information that the police statement lacks, such as these comments by Stewart: 'Then I thought, "I'm going to have a swim as well." So I walked in more gingerly. I felt this incredible undertow likely to sweep me out to sea, and thought, "This is not for me."'

After swimming himself Stewart watched Holt from a sandy cliff, desolate except for scrub and an empty wartime observation post. 'I noticed her (Marjorie Gillespie) looking intently beyond me in the direction of where I last saw Mr Holt. I joined Mrs Gillespie in the shallows and also looked to see whether I could find Mr Holt. We stayed for a few moments trying to locate him without any results. When I left the water I looked about but I couldn't see Mr Holt. I kept looking for a few minutes, and then I went up onto a rock on the beach so that I could get a better view. Mrs Gillespie was on the beach also looking. We looked for some time but we were unable to see him in the water at all. Then I saw that Margie was getting quite agitated. I then climbed up onto quite a high rock to see if I could see him. The surf just suddenly built up to a state of vigour. It was terrifying.'

In her statement to the police, Marjorie Gillespie said 'I was quite happy about it. Even when I first saw him go in. Even though I wouldn't have liked it. I saw that Harold was still swimming but seemed to be getting further away all the time and I felt very strongly that all was not well. And I was ... This is when I was saying, "Come back! Come back!" I watched Harold continuously and the water became turbulent around him very suddenly and seemed to boil and these conditions seemed to swamp him. I

knew then that there was nothing anyone could do, even if we had lifesavers, It was like a leaf being taken out. It was so quick and final. I lost sight of him.'

Stewart's statements on the supposed events that day are conflicting and confusing when placed together to say the least. Initially it was stated that Stewart was the only person with Holt. Later police took statements from four people concerning the disappearance, quite an astounding change in the count of witnesses present during such a tragic accident. Indeed, it appears Holt had not even planned to go swimming, as was evident in his still wearing sneakers. According to Stewart it was a last-minute change of mind. He waded into the shallow water, and appeared to slip. Then according to Stewart and Gillespie he was carried into the depths by a vicious rip. Helicopters, light planes, boats and launches soon combed the area.



## CHAPTER TWO

### THE DEVIL IN THE DETAILS

Comments and statements made by Gillespie and Stewart in the media conflict in many places with the official police report, as well as in Stewart's hitherto hidden original statement, made on 17 December. This was later hinted at by Police Inspector Newell during the coronial inquest many years later. When individual aspects of these statements are scrutinized inconsistencies become very apparent.

The first point of interest is the weather conditions that day. Gillespie and Stewart maintain the morning was overcast and that it was Holt's idea to go to the worst, most isolated beach in the Portsea area to of all things go sunbathing in cloudy conditions (although later in the day the weather cleared).

'I know,' Holt is said to have suggested, 'let's go to Cheviot Beach.' This is not in the police report, at no time is Holt quoted as definitely making this statement, but in Vyner Gillespie's account she does say that it was Holt who made the final choice to go to Cheviot. It is not clear that the idea was at first his. The term Holt used, 'I know', would infer that he was responding to an enquiry as to where the group should go next, and being near Cheviot his response would be predictable.

This sounds like Holt was responding to a question or statement about swimming at Portsea, and was in effect manipulated into choosing Cheviot because Portsea Beach had earlier been closed due to rough conditions. In a court case this is referred to as 'leading the witness', or probing for a desired response. In fact Holt had no business being at Cheviot Beach at that time, as he had made very specific arrangements to be at the Scott residence for a barbecue at 12 pm. The only reason he would have considered going to Cheviot Beach would have been if he had missed Alec Rose sail through Port Phillip headland and someone in the party had suggested going to Cheviot Beach as a substitute activity, having already made the journey to the area.

Holt did not plan on swimming that day. The water was in no condition in which to be swum, there were large planks of wood floating in the water which had come from a recent demolition of a nearby jetty. The water was full of uprooted kelp seaweed and it was all plainly visible from the shoreline. 'I had never seen it like that before,' Marjorie Gillespie says. Referring to the turbulent conditions and the floating rubbish in the water, and yet upon seeing the beach in such disarray, Gillespie also says 'I was quite happy about it. Even when I first saw him go in. Even though I wouldn't have liked it.' Gillespie was quite happy about the Prime Minister of Australia going for a swim in rough, debris laden water? And yet in the police report she states that the water was calm: 'The surf was higher than I'd ever seen and it was a full tide, but not unduly rough. The sea beyond it, where it appeared to be breaking, appeared to be calm.' This particular comment matches with what Stewart had said in the original statement, that whatever had happened to Holt as he swam in calm water was quick and final.

In media interviews Stewart claims that Holt entered the surf at 11.15 am, when Stewart supposedly met Holt on the beach. Quite remarkable considering he made great effort to note that he did not have his watch with him when they arrived at Cheviot Beach. If the media comment is to be believed, it throws yet more contention into the timing of events as Stewart had been with Holt since they arrived

at Cheviot Beach in two cars at the same time, and the police report states that Stewart had met Holt at Gillespie's house at either 10 am or 11 am. So how could Holt have entered the surf at 11.15? In a further statement to the media Stewart said that later he 'saw Mr Holt dive from a rock—his favourite "diving-board"'. This is not in the official police report of events leading up to Holt disappearing and is quite significant. If this was the case Holt had waded or plunged into the sea with his shoes or sandals still on, got out of the water, proceeded to his favourite diving rock and leapt back into the sea. Why then did Holt not remove his footwear having more than enough time to do so? And why did no other witnesses in the police report state that Holt had done this? In fact this event is not even recorded in Stewart's original statement.

Stewart goes on in the interview to state: 'I joined Mrs Gillespie in the shallows and also looked to see whether I could find Mr Holt.' This is another conflicting statement as it was reported that only Stewart and Holt went into the water at that specific time. Gillespie was further along the beach and only came to the water's edge later as Holt was well out into deeper water. This throws into contention exactly where Stewart and Gillespie were. Stewart had stated in media reports that after swimming himself he watched Mr Holt from a sandy cliff. If Gillespie was intently looking over his shoulder, that places Gillespie on the sandy cliff with Stewart and not in the shallows.

Further, Alan Stewart said: 'I noticed her [Marjorie Gillespie] looking intently beyond me in the direction of where I last saw Mr Holt.' This statement effectively places both witnesses in two different locations at the same time. In the police report the two are looking for Holt from the water's edge, whilst in the media interview Stewart is standing on a sandy cliff with Holt in sight, presumably with Gillespie looking beyond him towards the ocean. Investigating officer Lawrence Newell also took a statement from Stewart which stated: 'When I left the water I looked about but I couldn't see Mr Holt.' However, according to media interviews, wasn't Stewart watching Holt from the sandy cliff after he left the water?

Stewart: 'I kept looking for a few minutes, and then I went up onto a rock on the beach so that I could get a better view.' Wouldn't the view be much clearer from the sandy cliff at a higher elevation than a rock at ground level on the beach? This would make true the statement of Stewart being on the sandy cliff and watching the still visible Holt in the water.

In an attempt by police to clean up the confusing mess of who was where, and when, Inspector Jackson finally writes a version that has since stuck. What follows are Jackson's conclusions as to who was where at the time Holt entered the surf: 'Alan Stewart went to the water's edge to test the temperature of the water and returned to the main group quite quickly. Mr Holt, Martin Simpson and Vyner Gillespie then walked away from Stewart, then parted company as they did. Simpson and Miss Gillespie going towards the direction taken by Mrs Gillespie, and Mr Holt to the right towards the water. He went right towards the water and entered without any apparent hesitation and commenced to swim in the area away from the beach. Mrs Gillespie returned later after Mr Holt had already entered the water, Stewart went to the water's edge and returned to where Mrs Gillespie was sitting alone in the sand where the belongings had been left. He entered the water but did not venture out beyond a point where he felt a deep pool and a tremendous undertow around his legs. He continued to swim in this vicinity and during this time he could see Mr Holt further out swimming quietly. He

noticed that Mr Holt was swimming in the midst of what he considered to be a dangerous turbulence and which had built up from the time he felt himself at the edge of the deep pool and whilst he was swimming in the vicinity. Stewart stated that at all times he could stand up and in fact he did stand up and he saw Mrs Gillespie at the water's edge looking out to where Mr Holt had been. He joined Mrs Gillespie in the shallows and also looked out to sea towards where he had last seen Mr Holt and he immediately joined her searching for Mr Holt.'

Remember, the police report was compiled after Stewart had made his comments to the media concerning Holt leaping from 'his favourite diving board'. We find this a rather confusing yet crucial omission on Stewart's part. Further attempts were made to smooth things over in the public mind during the later inquest into Holt's disappearance, when Graeme Johnstone, the Victoria coroner, announced 'The various individual witnesses' accounts, whilst they have a different perspective of the lead-up and the incident, confirm the facts in ways not possible unless they are describing the truth of what actually happened.' Including, for instance, the crucial information concerning the actual conditions of the surf at the time Holt drowned?

Following is how the actual witnesses described the surf at the time of the incident based on the official police report. Alan Stewart stated: 'I noticed the tide was very high and the surf was very turbulent, in fact it's the biggest I had seen on the beach.' Marjorie Gillespie stated: 'The surf was higher than I'd ever seen and it was a full tide, but not unduly rough. The sea beyond it, where it appeared to be breaking, appeared to be calm.' Vyner Gillespie stated: 'I saw that the surf along the full length of the beach appeared to be turbulent out some distance but swirly and rough closer to the shore.' Martin Simpson stated: 'I went into the water almost knee deep and there was a fairly strong undercurrent so I just splashed around without going in too far.'

How could the ocean conditions be 'not unduly rough' (Marjorie Gillespie) yet 'the biggest I had ever seen at the beach' (Stewart) at the same time? These small but rather strange conflicting statements contain all the hallmarks of a prefabricated story. Whatever happened on Cheviot Beach that day was significant enough to make those involved come up with a story that would make Holt's death seem accidental. This may have worked if it involved far less media attention than the death of an Australian Prime Minister. With the mass of media involved and the many eyewitness statements made to them (prior to Holt's press secretary Tony Eggleton taking charge of media affairs, and their later sanitization in the police report), small conflicting details have highlighted that what actually happened that day was far removed from a simple matter of a drowned man in rough surf.

#### BLACK JACK TELLS US THAT...

After Holt vanished off the waters of Cheviot Beach, John 'Black Jack' McEwen is rapidly sworn in as Prime Minister. Prior to being sworn in McEwen makes a press statement that gives further clues as to exactly who Alan Stewart is, in relation to his involvement at Cheviot Beach. What follows is the actual statement made to the press on the day that Holt vanished.

FOR PRESS:

PRIME MINISTER MISSING

Statement by the Deputy Prime Minister the Rt. Hon. John McEwen

The Australian people are aware that the Prime Minister the Rt. Hon. Harold Holt is missing off Portsea Beach. My information is that he was swimming this morning with a companion, Mr Stewart, director of the fort quarantine station. Shortly after noon the two were separated in strong currents. At about 12.40 pm, Mr Stewart reached the shore and raised the alarm.

A full scale search and rescue operation was immediately mounted. The operation is continuing. It includes RAAF and civil aircraft and helicopters, police and naval units.

We will all pray that despite the grim situation the Prime Minister may still be found safe. This evening we all share with Mrs Holt and the family their terrible anxieties.

Canberra: 17.12.1967

This one statement by the man who would succeed Harold Holt as Prime Minister of Australia has told us exactly who Alan Stewart was. And as such explains that Alan Stewart would have known Cheviot Beach extremely well as director of the quarantine facility. The beach is directly connected to the rear of the old quarantine station. Stewart would have had open access to the beach and known it extremely well. This makes a moot point of his statements to police concerning him not being overly familiar with conditions at Cheviot Beach on any given day. Reading Stewart's statement gives one the impression that he had no knowledge of the conditions that Cheviot Beach was capable of conjuring on rough days. In fact the reason that Stewart stayed in the shallows was because he was well aware that to swim that day would be dangerous in the extreme. And yet he allowed Holt to enter the water and happily watched as the Prime Minister swam to what turned out to be his doom. We now assert that Holt was lured to Cheviot Bay and into a trap after returning from watching Alec Rose sail through Port Phillip Heads by Alan Stewart, who was involved in the Holt conspiracy as much as, if not more than the soldiers who shot Holt. We in due course shall prove why Stewart facilitated this situation.

#### THE DEADLY RIP/UNDERTOW: WHICH WAS IT?

So what sort of current was Holt supposedly caught in? Based on Marjorie Gillespie's statements of watching Holt being taken out to sea, the tidal action that dragged him out would have been a rip tide, whereby water from breaking waves returns seaward in calm channels between breaking waves.

These rips, as they are known, can move at great speed but lose their strength as the water deepens and eventually these rips disperse. Another account has Holt cresting a wave and being 'swamped' with the water being described as turbulent, even boiling. These kinds of conditions are known as undertows. An undertow occurs where waves are breaking over the top of rips. The force of the wave pushes the outgoing water down, creating an undertow. This downward force, however, lasts only a few seconds, because as soon as the wave breaks, the rip surfaces and so do you.

Going by descriptions given by Stewart and Gillespie, Holt seemed to be aware of his situation as no mention was made of him attempting to fight the rip and return to shore—he was in effect doing the right thing and letting the rip disperse, and if he was an avid surf swimmer, as reported, Holt would have been attempting to swim to the side of the rip's current, thereby extricating himself from it. The only reason Holt would have vanished from sight would have been if he stayed in the main portion of



the rip's current moving seaward, or if he were already dead in the water and his immobile body was dragged out to sea. This was not possible, as contained within the official police report there is a section whereby the tidal action of that day was tested by sending flotation devices into the surf, along with coloured dyes, in order to test the flow of tidal action.

The conclusion of these tests states in black and white that nothing the size of a body could be dragged out past the inflowing tidal zone. This means that wave action would have forced Holt's immobile body back to shore, and not out to sea. Frankly, the devil is in the details and our contention is that the statements made by Gillespie and Stewart, if presented in a court case and under cross examination, would not hold up under close scrutiny. Fortuitously for those involved, drownings where no body was retrieved from the ocean could not be investigated under Victorian law. All that could be done was to take statements sometime later and wrap the whole incident up as quickly and as tidily as possible.

### STRANGE STATEMENTS AND MYSTERIOUS PERSONS

The police report contains statements by military personnel, local fishermen and many others. After studying these statements in detail, strange and uninvestigated anomalies appear throughout the document. Here we shall list a few of these unusual statements and try to place them in their true context as it applies to Holt's disappearance.

After Holt had disappeared from view for some time Mr Stewart clambered back to a path where his car was parked in front of Mr Holt's Pontiac, and went to the military cadet training school, to raise the alarm. At 12.45 pm the police were contacted and Inspector Jackson departed for the scene, as is stated quite clearly in the police report: 'At approximately 12.45 on this date, Alan Stewart arrived back at the main gate, he braked his car suddenly and hurried inside the guardhouse.'

Prior to that something strange happens. The police report states that at 12.00 noon a friend of the Holt family, Mr Jonathan Edgar Scott, the same man who Holt was planning to have a barbecue with at midday, received a phone call at his home from Mrs Ansett, the wife of Sir Reginald, owner of Ansett Airlines. Mrs Ansett tells Mr Scott that Holt has been missing for fifteen minutes in the surf. To quote Mr Scott: 'On Sunday December 17th 1967 at 12.00 noon I received a phone call from Mrs Ansett, who told me that Holt had been missing for fifteen minutes in the surf. I had been talking to Mr Holt at 10 am that morning discussing plans for the afternoon.' How did Mrs Ansett know of these events if Stewart hadn't reported them until 12:45? That leaves an astonishing one hour and fifteen minutes of unaccounted time between Holt disappearing at 11.30 am and Stewart driving two kilometres to the guardhouse.

The question must now be asked, what knowledge did Sir Reginald Ansett have of these events? Looking into the state of Ansett's affairs of the time reveals some startling coincidences. Sir Reginald Myles Ansett (13 February 1909-23 December 1981) was an Australian businessman and aviator, best known for founding Ansett Airlines, one of Australia's two leading domestic airlines between 1957 and 2001. He also established a number of other business enterprises including Ansett Pioneer, Australia's leading coach lines, Ansett Road Freight and the ATV-0 television station in Melbourne which later became part of Network Ten. In 1971 Trans Australian Airlines (TAA), along with Ansett,

applied for a loan from Chase Manhattan Bank for the amount of fifty-five million Australian dollars, certainly a large sum in 1971. (As we shall see the name of Chase Manhattan bank plays a prominent role in events leading up to and well beyond Holt's death.) The money was to be used to thwart a takeover bid from Sir Peter Abeles. Eventually, in late 1979, Ansett would lose control of the company to Abeles and Rupert Murdoch, with Abeles having responsibility for the transport operations and Murdoch taking over the television stations.

Back in 1972, Abeles's Thomas Nationwide Transport launched a takeover bid for Ansett Transport Industries. This bid was thwarted with the assistance of Victorian Premier Sir Henry Bolte. This was due to both a longstanding friendship between Bolte and Reg Ansett, and also that Bolte was keen to save a Victorian company from being taken over by a firm from New South Wales. (After Bolte's retirement, he would become a director of Ansett Transport Industries and later worked for Peter Abeles, the very man a few years earlier whose bid to take over Ansett he had fought.)

Bolte not wanting a NSW company to take over a Victorian concern runs somewhat deeper than pure Victorian pride. It is well known that Bolte held significant animosity towards the NSW premier Robert Askin, whom Bolte considered corrupt. Askin's premiership was marked by a significant increase in the activities of organized crime groups in NSW. He was known to be extremely fond of betting on horseracing, was often seen at the track, and was reputed to have been a 'runner' for illegal SP bookmaking operations in his youth, in the Rural Bank and in the army. Since his death there have been persistent unproven allegations that Askin, allegedly assisted by then Police Commissioner Norman Allan, oversaw the creation of a lucrative network of corruption and bribery that involved politicians, public servants and police and the nascent Sydney organized crime syndicates. One of the most controversial claims is that Askin regularly received payoffs from illegal gambling syndicates—journalist David Hickie claimed that Askin received \$100,000 per year in bribes from a gaming syndicate run by noted Sydney gaming identity Perc Galea.

There have been claims that his administration actively protected leading crime identities such as the notorious Sydney gangster Lenny McPherson. It is also claimed that Askin 'sold' knighthoods to Sir Paul Strasser of Parkes Development as well as to Abeles for between \$20,000 and \$60,000 each, and that he also gave out knighthoods as rewards to trusted allies, including Police Commissioner Allan.

It can be no coincidence that Sir Reginald Ansett became aware of Holt's fate very early on 17 December 1967, for his business was headquartered in the same building as the investigating police—the police headquarters, referred to as D24, was housed in the TAA building in Franklin Street, Melbourne. TAA was intimately involved in Ansett's business affairs at the time, prior to Abeles and Murdoch's takeover. It had been Reginald Ansett that had informed his wife of Holt's fate, and she in turn had informed Mr Scott, whom had planned to have a barbecue with the Ansetts and Holt later that day at 12.00 pm. Clearly the police had knowledge of Holt's final fate earlier than 12.45 pm on that day.

#### THE ARMY REPORT ANOMALY

The police report states that Holt was reported missing to the military guardhouse by Alan Stewart at

12.45 pm. Stewart states that he had not seen Holt since 11.30. Furthermore, the official police report states that Army Southern Command was informed of Holt's disappearance at 2.40 pm, around the same time that Melbourne police were organizing search operations for Holt. The army report contains a revealing piece of information that hints all is not as it seems. In fact, Army Command in Melbourne categorically states that Holt was reported as missing to them at 10.30 am, a full hour before the official account of Holt's disappearance at Stewart's reported time of 11.30 am. The memo is written as follows:

#### HEADQUARTERS SOUTHERN COMMAND

VICTORIA BARRACKS MELBOURNE

12TH JANUARY 1968

DISAPPEARANCE OF THE RT HON HAROLD HOLT PC

PRIME MINISTER OF AUSTRALIA

1. This report details the action taken at HQ S Command on receipt of information concerning the disappearance on Sun 17th Dec 1967 of Mr Holt in connection with the search that followed.

2. A report by OCS on the occurrences is attached for information.

#### SERIES OF EVENTS

3. HQ S Command action is summarized as follows

a) Sunday 17th Dec 67

1. Duty officer S Cmd received information at 1440 hrs that the Prime Minister had been last sighted at 10.30 hrs and was believed missing. Information was passed to chief of staff, and comd sect HQ S Comd.

2. ADPR, S Comd, dispatched to Portsea.

3. 28 soldiers from the school of signals were dispatched to Portsea arriving at 1900 hrs, and 25 from Watsonia arriving at 1930hrs.

4. A C42 radio link from school of signals, Balcombe to troops at Portsea.

5. Additional troops were placed on standby at Broadmeadows and Watsonia but were stood down at 2210hrs.

6. Search of beach was commenced at Point Nepean area by soldiers in small groups. Reliefs were arranged for 18th Dec and also for prolonged period if required.

The lengthy army report then goes into quite some detail as to exactly what resources and personnel were sent to Cheviot to assist in the search operations. The details in the report are extremely accurate as would be expected in a military briefing paper during a time of war. How then could they get the actual time of the Prime Minister's last sighting so completely wrong? Remember we are talking about a military report and not the official police report—these are two very separate documents.

#### THE BODY IN THE WATER

Straight after Stewart reported the incident initially to Corporal Neville Woods at the guardhouse.

Woods grabbed his binoculars and ran to an elevated point above Cheviot Bay. He then searched for any sign of Holt. He notices a body in the water.

Corporal Neville Woods, 17 December 1967: 'Using binoculars I searched Cheviot Beach. In the blowhole pool I thought I saw something pink in the water but I couldn't see what it was and I couldn't be sure, there was a lot of driftwood ... and later upon meeting up with Gillespie and Vyner, I asked Vyner Gillespie to point out exactly where Mr Holt had gone in and she indicated to me a spot near the place we call the blowhole pool. That was the place where I had thought I saw something pink.' It's our contention that the corporal had seen Holt's body prior to its removal from the area. This information was never publicly released but is contained in the police report.

#### THE SECOND SIGHTING: SOMETHING ON THE ROCKS

Soon after the guardhouse received a phone call stating that a body had been seen on the rocks. A military search team immediately proceeded to the reported area, only to find that the high tide still covered that particular spot. Inspector Newell: 'A message was received via D24 that a report had been received by telephone to the effect that a body could be seen off the rocks at Victoria shoal near Queenscliff. The circumstances of the call were suspicious. I was in the air in a helicopter at the time and it was immediately investigated. The rocks were not even above water at the time and investigations in Melbourne confirmed the call was a hoax.' Or perhaps the silent witness had seen something else in the water at the time of Holt's death?

The investigators found no trace of a body in the vicinity and decided the call was a hoax and left it at that. This is the second incident placing a body or a form in the water at two different times immediately following Holt's disappearance. Further reports indicated Holt's body was being removed from the scene by divers. These reports came in at different times in the day and were also dismissed, as again noted in the police report. Inspector Newell at police control: 'Several reports were received during the day from beach patrols both at Port Phillip Bay and Bass Strait coasts that objects similar to a body could be seen floating offshore. An immediate check was made by boat or helicopter and all objects were satisfactorily eliminated.' If divers were removing Holt's immobile body in rough, open water it is entirely possible that these were indeed the objects reported.

#### THE UNEXPLAINED SOLDIERS

Following Corporal Woods's departure from the guardhouse and after Captain Schuman dispatched three available soldiers in civilian attire, two with diving gear and one being a New Zealand officer by the name of Captain Marshal, to the beach to assist in the immediate search for Holt, Martin Simpson reported an additional two men dressed in khaki uniforms whom appeared from nowhere and had enquired as to what had happened. Martin Simpson: 'Then two people in khaki came intermittently and they did not appear to know what had happened. They asked "Is somebody lost?" I said to them "Yes, the Prime Minister." We pointed out the position and they also went down'.

These soldiers could not have come from the guardhouse as Alan Stewart had made the situation quite clear to both Corporal Woods and Captain Schuman. The two men appeared separately, and apparently had no idea what was going on. Simpson makes no remark as to them turning up in a



vehicle so they must have got there on foot. The guardhouse itself was two kilometres away from Cheviot Beach so one can draw the obvious conclusion that the two soldiers were already in the vicinity, and that, in fact, they were the snipers who had shot Harold Holt. After making themselves obvious to Robert Simpson they then joined in on the search for Holt, effectively melting into the gathering crowd. The police report makes no attempt to identify these two additional soldiers and they only appear in Robert Simpson's account of events.

#### REMOVAL OF HOLT'S CAR

Immediately after Holt had vanished Martin Simpson, Vyner Gillespie and Marjorie Gillespie returned to Holt's car and waited for Alan Stewart to return from the guardhouse, where he was reporting the incident. Martin Simpson unknowingly reports another strange but small anomaly. He states: 'When we first came back to Mr Holt's car we put everything on the bonnet of the car and then we picked out what was ours and put Mr Holt's things in the front seat of his car and put the string bag and one pair of shoes in the boot of the car, which I think was unlocked. Mrs Gillespie may have had the key.'

Eventually Holt's car was returned to the Holt household in Toorak by Mr Jonathan Scott Edgar, who states in the police report that: 'On Monday 18th December I drove Mr Holt's car from Weroona to the Holts' home at 112 St George Rd, Toorak. In the car there were some of Mr Holt's clothing, some shorts, a T-shirt and I put this clothing in the boot of his car.'

Holt had in his vehicle a briefcase containing various personal items including letters and parliamentary documents. These were later handed to Zara Holt and now reside in the National Archives of Australia. However, during the course of events after Holt's disappearance no mention of this large briefcase is made by anyone. Martin Simpson states that the boot of the car was already opened but is at a loss to explain how this happened. He assumes that Marjorie had the key. And yet in her statement Gillespie makes no mention of opening the boot or having the key to Holt's car. So who opened the boot? Alan Stewart was, however, in possession of Holt's bag containing his personal items prior to Holt changing behind the noted boulder. Did Stewart remove Holt's briefcase at some stage and place it in his own car prior to going for help? If so, why?

The public has been made aware of Holt's briefcase and there is an interesting documentary detailing the case of the case, so to speak. What is not widely known was that after Holt disappeared, his Portsea home was broken into by Australian Security Intelligence Organisation (ASIO) agents and yet another briefcase laying in Holt's bedroom was grabbed and stuffed with certain documents from Holt's office. The perpetrators of this event were described as wearing black suits and left the house via a rear window, hardly the actions of an official search of the Holt household. Holt's housekeeper witnessed the removal of documents from his briefcase. 'It was up in his room. But there was somebody came, and they got something out of it. They were tall, well-dressed men. They got out the window and went out the window.'

The removed documents related to a split that had been developing in the Liberal Party, involving ongoing bitter tensions between the Deputy Prime Minister John McEwen and the Treasurer, William McMahon. We shall discuss these documents and the rift they had caused later in this work, but suffice to say this briefcase was not the one contained in the boot of Holt's car at the time he vanished.

off the coast of Cheviot Beach.

#### THE NAVAL INTELLIGENCE PHONE CALL

The day that Harold Holt went missing at Cheviot Beach, his son Nicholas was in Portsea with his father. He had spent a portion of his time with Harold the previous night and also in the morning, prior to his father visiting the Gillespie home. Nicholas last saw his father alive that morning as Harold discussed plans he had made with Mr Scott, including the 12.00 pm barbecue, and that they intended to go spearfishing at around 4.00 pm that day.

Following that last encounter with his father, Nicholas had taken time to go to Portsea Beach with his wife and daughter. It was in the midst of this planned activity that he received a phone call at 2.00 pm informing him of his father's disappearance. 'I answered a phone call from the navy intelligence, who'd known about it, and then I went straight to the beach.' Why would naval intelligence contact Holt's son? Would that not have been the duty of the Federal Police? Clearly the involvement of naval intelligence in this matter should have been limited to the operation of naval units in the area alone and not fulfilling duties under the jurisdiction of the police department. After all Nicholas was a civilian and in no way associated with the military. So who made that phone call to Nicholas? There can be only one person who knew exactly what was going on at that time and was indeed a naval intelligence officer in the immediate area the day Holt supposedly drowned. His name was Commander Ronald Titcombe.

#### THE AFTERMATH OF HOLT'S DISAPPEARANCE

Some time after Alan Stewart reports Holt's disappearance, Trans Australian Airlines and Ansett A.N.A. helicopters along with naval and civilian divers were brought into the search. But they were hampered by the heavy swell and very high waves. 'Up to 200 yards out it is impossible to see anything in the welter of the search,' Inspector Newell said. 'Aircraft searched an area six miles long in Bass Strait. But I regret to say we have no result and I do not hold out much hope for Mr Holt now.' As veteran diver Mr Ron Hinneberg, 32, said, 'that water is as rough as guts'.

At 2.00 pm a handful of curious young holiday-makers loitered around the locked gate of the quarantine station as the news first leaked out that a 'VIP skindiver was missing'. But already three helicopters and a light aircraft had been sweeping off the shore for more than an hour and rescue boats were patrolling the shoreline. St John Ambulance service rescue squad vehicles began pouring into the quarantine station with army vehicles, Country Fire Authority trucks loaded with volunteers, private cars carrying skindivers and others with family friends of the Holts. Navy skindivers also were arriving from Sydney, Melbourne and Canberra. By now it was common knowledge that Mr Holt was missing. Dozens of young couples, clad in swim- and casual wear assembled. Some were playing music loudly on their transistor radios. Parents and their children skipped barefoot across the asphalt. At 4.30 pm Mr Andrew Holt, another of the Prime Minister's stepsons, drove up grim-faced in a small sports car. By now the crowd had grown to almost 2000 and cars were banked up on both sides of the road for almost a kilometre before the gates. At 5.30 pm police erected a roadblock around 200 metres from the quarantine station and began looking cars irregularly parked. A truck carrying

loudspeakers ordered motorists from the road. Army recruits were preparing for all-night sweeps along the shore; dozens of searchers and divers crouched around two beach fires. Amidst the chaos and confusion of all this frantic activity, some distance off Cheviot Bay, a minor vessel slowly crept closer to shore from deeper waters where she had skulked since the night before.

#### ALONG CAME A SNIPE

Recent revelations indicate that Harold Holt's body could not be recovered because his remains were no longer anywhere near Cheviot Beach. In fact, they had been completely removed by a naval dive team after the Prime Minister was assassinated. The two naval clearance divers that removed Holt's body were stationed on the minesweeper HMAS *Snipe*, which was a Ton class minesweeper purchased from the Royal Navy in 1961. The ship was modified in the UK to Australian requirements and was commissioned into the Royal Australian Navy on 11 September 1962 as a unit of the 16th Minesweeping Squadron, which became the 1st Mine Countermeasures Squadron from the late 1960s. The *Snipe* was home to naval clearance dive teams operating out of Sydney that eventually ended up assisting in the search for Holt, and later extracted the dive team that weighted Holt to the sea floor, on 23 December.

There is even a police witness to the *Snipe* being off the coast of Cheviot, prior to its first mention in the police report on 22 December. Allan Tickell, a retired police officer and diver, stated that HMAS *Snipe*, as well as other motor vessels and more divers, arrived late on the first day of the search. Tickell was with the police dive team, and they were joined by divers from the HMAS *Cerberus* naval base and the RAN clearance divers. Four dive teams of four worked all day. Cheviot Beach is about 750 metres in length and is surrounded by a reef with a central gap. The search was confined to inside the reef on the first day due to the dangerous conditions. And yet according to the police report the *Snipe* wasn't in the local waters until 22 December, and then as search operations were scaled down, departed the Port Phillip Bay area on 23 December. How could the *Snipe* provide clearance divers based out of Sydney on that first search day of 17 December, when Stewart's call for assistance was only answered en masse by military authorities well after 2.00 pm in the afternoon? Clearly the *Snipe* was well and truly in the local area, probably earlier than 17 December, in preparation for the removal of Holt's body after he had been shot from the clifftops above Cheviot Beach.

#### MYSTERIOUS CORRESPONDENCE

On 3 January 1968, well before the official police report was compiled, Harold Holt's executive secretary received a letter from Jay E. Darlington, an attorney at law based in the United States, written on December 18, just one day after Holt went missing. The letter expresses concern that Holt may have been assassinated. The letter suggests that its content be maintained as top secret, and states that Holt's death was the result of 'expert sabotage'. Darlington states that he was in contact with Holt prior to the Prime Minister's death but does not elaborate on how the men were in contact. The attorney goes on to suggest possible methods by which Holt may have been assassinated. The letter upon its receipt was filed away and only recently surfaced in the national archives. Two

points of interest in this letter are first, how did Darlington's firm know of Holt's death at such an early date given the slow methods of communications of the time? And secondly why was the letter hidden and not acted upon by authorities? Our investigations have revealed that Jay E. Darling was associated with another, then fledgling firm that was a known front for the CIA's legal department.

#### THE PARLIAMENT HOUSE SNIPER

Despite the growing controversy of the Vietnam War and the resulting public demonstrations, Holt did not feel the need to surround himself with security guards during his weekend break in Portsea. He wanted his trip to be as low profile as possible owing to the fact that he was involved in a tryst with Marjorie Gillespie, in fact one of many women involved with Holt at that time of his life. This fact is confirmed by the statements and actions of his wife Zara Holt, who had not accompanied Holt on this occasion, perhaps indicating she had some knowledge of the affair. Holt's choice to decline the offer of a bodyguard may confirm that he was intending to engage in extra-marital activities that weekend, but make no sense from a security standpoint considering that there had been a previous attempt at his life.

One night in late 1966, as he worked in his corner office, a lone sniper fired a single rifle shot at him from a tree near Parliament House. The bullet cracked a window, Holt was not hurt, and according to police the sniper was caught and charged with a different offence. There was virtually no publicity over the first clandestine attempt at Holt's life. The only advice that Holt received from his security team after that incident was that he should draw the curtains whilst working late in his offices in Parliament House.

#### THE FIRST ATTEMPT

What follows is a very recently released document from the national archives which details the official police investigation into the first attempt at Harold Holt's life. Whilst the circumstances of the attempt seem to be the actions of a lone, mentally unstable individual, the truth behind the incident is far more disturbing than can be understood at first glance.

CONFIDENTIAL

DEPARTMENT OF THE INTERIOR

File 67 2375

IN CONFIDENCE

Australian Capital Territory Police

Criminal Investigation Branch

Canberra 7th July 1967

Report of: Maxwell John Robinson, Detective Sergeant First Class.

Subject: Gajic, Nedeljko. Charged at Canberra on 24th November 1966 with possession of .22 caliber rifle with intent to commit a felony.

The Officer in Charge,

CRIMINAL INVESTIGATION BRANCH



1 I have to report that on the 17th November 1966 Nedeljko Gajic, born 8th September 1940 at Kremna, Yugoslavia, was arrested at Braidwood, NSW, following a complaint from a Mr Battista Collusi, a Canberra taxi driver, that a man he had picked up outside Parliament House on the 16th November, 1966, had directed him to a point on Captains Flat Road and presented a sawn off .22 rifle to him.

2. During the course of the interrogation at Braidwood Police Station, Gajic claimed that he had come to Canberra during November, 1966, armed with the .22 sawn-off rifle and had taken up position outside Parliament House with the intention of shooting the Prime Minister, Mr Harold Holt. After waiting unsuccessfully for a week, Gajic engaged the taxi to take him to a point where he could seek refuge in the bush.

3. At the time of his arrest, Gajic was found to be in possession of a .22 sawn-off repeating rifle, two magazines and a quantity of ammunition, which he claimed to have purchased solely for the purpose of shooting Mr Holt.

4. On the 24th November 1966, following his interrogation by detective Inspector Luton and me, Gajic was extradited to Canberra and charged with being in possession of a dangerous thing, to wit, a .22 calibre repeating rifle, with the intent to commit a felony, to wit, to murder Harold Holt.

5. Gajic first stood trial on the 13th December 1966, but following a disagreement by the jury, he was remanded until the 28th February 1967 for re-trial. However, the jury again failed to agree, and on the 9th of March, 1967 the Deputy Crown Solicitor, William H. Johnston declined to proceed further and Gajic was discharged from custody.

6. On the 9th March, 1967, before Mr C. Hermes, SM, in the Canberra Court of petty sessions, Gajic pleaded guilty to a charge of possession of an unlicensed pistol at Canberra on the 16th November, 1966 and was fined \$20. He was allowed time to pay and left Canberra on the same day.

7. On the 2nd July, 1967, following negotiations between the Department of Immigration and the Yugoslavian Consul in Sydney, Gajic was repatriated, under medical escort and departed by Qantas aircraft from the Kingsford Smith Airport, Sydney.

Signed: M.J. Robinson

Detective Sergeant First Class

The importance of the discovery of this document cannot be overstated when approaching the idea that Holt was deliberately targeted for assassination by a cadre that involved not only the CIA but powerful elements within his own government. How is it possible for a supposed lone civilian sniper (in fact Gajic had a substantial military background in his native Yugoslavia) to obtain detailed intelligence data on Parliament House, or know the location of Holt's office in such a large complex as the old Parliament House building, let alone gain access to its grounds?

The answer to that question lays within the confines of ASIO itself under the direction of Charles Spry. Gajic was a member of a group known as the Croatian Revolutionary Brotherhood (CRB), a group of staunch anti-communists that sought to free Yugoslavia of its communist government. The CRB was a far-right organization formed in Australia in the early 1960s, created by Croatian emigrants to Australia from Yugoslavia after World War II. It carried out more than 120 actions in Europe and

Australia, including Gajic's attempt to kill Holt as well as numerous bombings around Victoria and Sydney, possibly even including the infamous Sydney Hilton Bombing. The organization was active throughout the territories of Yugoslavia in the early and mid-1960s. Its aim was to start an uprising in Yugoslavia and to establish an independent Croatia. This mission failed due to the intervention of the UDBA, the Yugoslav secret police. During the 1960s ASIO had operatives working inside 'The Brotherhood' reporting its activities directly back to Colonel Spry. This work has uncovered documents from the national archives that prove ASIO had the CRB under constant surveillance and could have prevented the first attempt against Holt at any time, yet did nothing simply because at this time the CIA utilized organizations such as the CRB to assist in the fight against the perceived communist threat. In fact Holt was squarely a target of these CIA elements. Ironically it was the Liberal Government of the time that actively protected these types of organizations due to the political numbers they were capable of mustering.

There can be little doubt that the Australian Government in some way knew of the involved training of members of the CRB with the Australian Army near the military base at Wodonga in 1963. Evidence of this training exists in the form of photographs taken during the training camps, including photographs of CRB members with army personnel around a tank and using Australian army-issue radio equipment.

Claims that Croatian extremists financed and operated paramilitary training camps were denied by the then Liberal federal Attorney-General, Ivor Greenwood, who also said there was no evidence of Ustasha organizations in Australia. The Liberal Party governments in the 1960s not only welcomed but gave support to these anti-communist militants. Documents show that the Federal Police in 1967 were trying to investigate the CRB, however any attempt to do so was blocked by Spry and ASIO, who were using the Yugoslavian community anti-communists to do their 'dirty work'.

In 1963 nine Australian members of the CRB carried out an incursion into Yugoslavia where they were arrested, tried and imprisoned for various terms. A tenth person was arrested in Germany. In 1972, a bomb exploded at the Yugoslav General Trade and Tourist Agency in Sydney. Sixteen people were injured, two critically. Also in 1972 there was a second incursion by Australians of Croatian background into Yugoslavia. The editor of an Australian-Yugoslavian newspaper called *Spremnost*, Fabian Lovokovia, who was also a prominent Liberal Party politician, was able to boast in 1963 that ASIO 'does not view the Croatian Liberation Movement in an unfavourable light'. Thanks to the tolerance shown them by the authorities throughout the 1960s and early 1970s, the various Ustasha groups in Australia were able to carry out bomb attacks on Yugoslav consulates, a bank with a display of Yugoslav dolls, the Adriatic Tourist Agency in Sydney, a cinema showing a Yugoslav film, and to make three separate attempts on the life of a prominent anti-Ustasha Croat.

Due to the favourable political climate, the most violent of the Ustasha groups, the CRB, established its world headquarters in Australia in 1966, just one year after the death of Holt and two years after Gajic's failed attempt to kill him. The group was banned by West Germany in the same year. Then in 1973, on 15 and 16 March, Labor Party Attorney-General Lionel Murphy made highly-publicized visits to ASIO's Canberra office and Melbourne Headquarters (the 'Murphy raid') to examine ASIO documents relating to Croatian extremist activities in Australia; and to ask questions about

arrangements for the protection of the Yugoslav Prime Minister who was to visit Australia later that month. Murphy was disappointed with the results and persecuted for executing the raid for the rest of his life

The fallout shook the Whitlam government but ASIO's culture was never the same again. Associate Professor David McKnight, from the University of Technology, Sydney, says: 'ASIO watched Croatian groups, interviewed suspects and tried to cultivate agents, but overall displayed a curiously languid attitude to the threat until the early 1970s.' Within weeks, Murphy presented to the Senate an hour-long explanation, accompanied by a raft of documents, correspondence and photographs he said illustrated his claim that the previous government had been 'soft' on Croat terrorism in Australia, and that 'there is incontestable evidence that three extreme Croatian terrorist organizations exist in Australia today'. The opposition accused Murphy of selectivity. 'I have been subjected to a monstrous vilification in which truth has played virtually no part,' Ivor Greenwood said.

One very senior former Federal Police officer involved in the raid explains the situation as he experienced it in the letter below.

Letter from Kerry L. Milte, former Commander of the Central Crime Intelligence Bureau of the Commonwealth (now Australian) Federal Police.

From 1967 to 1970 I was Commander of the Central Crime Intelligence Bureau of the Commonwealth, now Australian, Federal Police. In 1973 I was security adviser to Senator Lionel Murphy, Attorney-General under the newly elected ALP (Australian Labor Party) government. It is true that until 1972 the Croatian extremist groups received a significant measure of protection from Liberal Party governments. I believe that this was primarily due to the government's need for support from an extreme right wing Catholic party—the so-called Democratic Labor Party (DLP). The Liberals and the Australian Security Intelligence Organisation (ASIO) had the misguided belief that the Croats could help in the identification of communists in Australia, who in the 1960s were factionalized, ineffective and posed no threat to national security. (Australian communists are now anachronistic.)

The Croats could muster sufficient votes to help secure a few key Senate seats for the DLP upon whose numbers and preferences the Liberals depended for a majority. Bombings were a regular occurrence, and appropriate counter-measures were not permitted. For example, I was personally responsible for the security of Yugoslav Assistant Secretary for Foreign Affairs Rolovic during his 1970 visit to Australia, so I can testify first-hand that the police received inadequate support to protect him and various Yugoslav diplomatic and trade premises.

Another example: Sergeant E.H. George arrested and interviewed Ustasha terrorist Josip Senic in 1965 and was forced to release him despite Senic admitting involvement in terrorist activity. I also interviewed Senic in Canberra, before he finally fled Australia. Despite his admissions, it was not possible to get approval for federal prosecutions of Senic or others until the ALP gained power.

On 15 and 16 March 1973 I accompanied Attorney-General Murphy and the Commonwealth Police on Murphy's visits to ASIO, the Australian Security Intelligence Organisation, in Canberra and in Melbourne. The visits (not the 'raid', as the *New York Times* article that you posted called it) were precipitated by the upcoming 20 March arrival of Yugoslav Prime Minister Djemal Bijedic in Australia.

Attorney-General Murphy had intelligence information relating to a planned attempt on Bjedic's life. That this intelligence was impeccable was demonstrated by the fact that police did seize explosives on Prime Minister Bjedic's planned route to Canberra. It was a desperate time, and Murphy had the courage to take an extreme but necessary step. It must be pointed out that the situation was the subject of thorough discussions with police command and an intense analysis of files held by the police and the Attorney-General's Department. Police Commissioner Jack M. Davis personally directed police to enter the ASIO building in Melbourne following consultation with Murphy. Prior to visiting Melbourne, Murphy went to ASIO's Canberra Regional Office, where he asked for a particular file on Croatian activities and was misled by ASIO officers who told him it was in Melbourne. Contrary to later attacks on Murphy, in Melbourne he did not rummage through files himself. He asked for the file on the Croats, and he questioned ASIO officials about what they had done to protect Bjedic. It turned out that they had not even vetted the chefs and waiters at Parliament House, and this less than a week before the planned State Dinner for Bjedic.

All this was recorded. Later, I would face a Senate Inquiry—Liberal dominated—into the 'raid', but it fell apart when it was found that Murphy had caused full transcripts of all that occurred to be recorded at the time. These transcripts were read by me into the transcript of the 1973 Senate Inquiry against the protestations of the Liberals.

Another salient point is that, just prior to Yugoslav Prime Minister Bjedic's arrival in Australia, Murphy was informed of a secret memo, wherein a key Inter-Departmental Committee of public servants (including ASIO) resolved that the ALP government was to be fed only information that would force it to follow the policies of the previous Liberal government in relation to the Croats. The existence of that minute was recorded by the Deputy Commissioner of the Commonwealth Police and the Assistant Regional Director of ASIO. Senator Murphy's office was also receiving information from two ASIO officers, one of whom said he was appalled by these 'treacherous' happenings. One of the officers had to be seconded (ie transferred) to Murphy's office for what he said was 'my [his] own protection'. An ASIO officer subsequently told me that ASIO had scant knowledge of the Croatian groups but plenty on the ragtag communists, on homosexuals in the public service, and on suspected Eastern Bloc spies thought to be in Australia.

In 1954, they had actually managed to catch one spy—Colonel Vladimir Petrov. (He was said to be a psychological mess.) This became a cause célèbre, and the political fallout ensured the re-election of the Liberals for almost two decades. Following the Murphy visit, ASIO was decimated by resignations and under Murphy was gradually rebuilt by Acting Director General Frank Mahony, and subsequently by Sir Edward Woodward (a federal judge) as Director General. Both were of impeccable repute. Needless to say Murphy and I created powerful enemies amongst those who chose not to accept the truth. The 'old' ASIO professed to believe that Murphy was a Soviet spy, and that fallacy has endured in some quarters until this very day. Murphy was worn down and died in 1986. The 1973 visits to ASIO might be regarded as extreme, but the consequences of Bjedic and perhaps even Prime Minister Whitlam being assassinated would have been worse than a few bruised egos in ASIO. The last thing Murphy said to me before he died was: 'History will ultimately judge the "raid" as good.' I feel the same, notwithstanding the subsequent vilification of those involved. It was part of a serious



effort to prevent a catastrophe, not a publicity gesture. Indeed, it was an ASIO officer leaking details of Murphy's impending visit to a reporter at the *Canberra Times* on the morning of 16 March that caused what was meant to be a secret operation to enter the public arena. Following the upheaval, and significantly greater police and ASIO attention, the Croatian extremists were literally flabbergasted. The flow of information from sources increased and more effective international co-operation followed. The Croats then changed tack and targeted the ALP as their primary support base. An article in the December 1972 issue of *Nova Hrvatska* ('New Croatia', a Ustasha publication) on the Australian situation, recommended the taking of a new approach, suggesting the idea of a Croatian radio station and the standing of Croats for elections. They 'stacked' key ALP branches with Croats and donated money to the ALP. Gradually over the years they became a powerful lobby group and now even have members and sympathizers in parliaments (state and federal). Hence, (then) Immigration Minister Chris Evans's reluctance to do anything about Marko Perkovic's band 'Thompson' or the Croatian fascists generally in Australia — they are now 'off the radar'.

At the moment Australia is engaged in the 'war on terror'—sic! Whilst so heavily occupied with investigating Muslims, the Ustasha expatriates remain active, assisting the corrupt Croatian government and aiding the spread of fascism. In this regard, it is interesting to note where the Albanian celebration for Kosovo's so called 'independence' was held—in Melbourne's Croatian Centre. I am not denying the threat posed by Muslim fundamentalists; however, it is incumbent on governments not to lose track of the ideologies that caused the Holocaust and which still **persist** amongst groups within the extreme right. The Croatian extremists still run church schools in Australia teaching hatred of the Serbs and the virtues of (Croatian Ustasha fuehrer) Pavelic and the Ustasha. The Australian Croatian Community Online presently describes the situation in Croatia (1941-1945) as follows: '1941—The Croats liaise with the Axis forces which occupied Yugoslavia as a means to independence. Under the direct leadership of Dr Ante Pavelic (as well as that of Adolf Hitler), the first modern Independent State of Croatia (1941-1945) is proclaimed including the then province of Bosnia and Herzegovina. However, certain parts of the land become occupied by Italian fascist forces which in turn encourages many Croats to join the anti-fascist Yugoslav partisan militia led by Croat, Josip Broz (Tito).'

A parting thought: whereas the CIA's late Director of Counter Terrorism James Jesus Angleton was livid over the ASIO visits and the reversal in policy regarding Croatian terror, curiously, Murphy got strong support from MI5 [the UK security intelligence agency], whose Australian liaison officer described the expatriate Croatian Ustasha 'revolutionaries' (HRB, UHN], HOP etc) as 'thugs and murderers'.

In the 1960s under this atmosphere of political gamesmanship, Gajic was proverbially cocked, loaded and sent after Holt by the CIA with the approval of members inside Holt's own government. The proof of this lay in the repercussions Gajic ultimately did not face. To fully understand the gravity of the Gajic case we must first understand something of the limited history of similar cases in this country. The official public record indicates that there have only ever been two attempted assassinations in

this country. The first ever attempted assassination on Australian soil occurred late one summer afternoon in 1868. A group of philanthropists had organized a charity picnic in aid of the newly established Sydney Sailors' Home. In attendance was His Royal Highness, Prince Alfred. Amongst the throng of people in attendance there was an Irishman, named Henry James O'Farrell, who carried in his pockets two loaded pistols. O'Farrell had come to the picnic in order to assassinate the prince. O'Farrell approached from behind and shot him in the back. O'Farrell's second pistol shot misfired and he was quickly seized and overpowered by bystanders. O'Farrell was severely beaten by the crowd before police managed to get him and the wounded Prince Alfred aboard the steamer *Paterson* for the journey back to Circular Quay. The prince made a rapid recovery, his life having been saved because of the brass and rubber construction of his braces which absorbed the main impact of the bullet. O'Farrell was put on trial, found guilty and, despite Prince Alfred's personal intercession on his behalf, was hanged at Darlinghurst Gaol on 21 April 1868.

The second attempted assassination in Australia occurred on the night of 21 June 1966. After addressing a rowdy anti-conscription rally at Mosman Town Hall in Sydney, Arthur Calwell, leader of the opposition, became the victim of an attempt on his life. After Calwell left the meeting, a 19-year-old factory worker Peter Raymond Kocan discharged a sawn-off rifle immediately after Calwell entered his car. Kocan approached the passenger side of the vehicle, aimed at Calwell's head and fired at point-blank range. The closed window deflected the bullet, which lodged mercifully in Calwell's coat lapel, and he received only minor injuries to his jaw, from broken glass.

Described by his defense psychiatrist as a borderline schizophrenic, Kocan was tried and found guilty of attempted murder. He was sentenced to life imprisonment and was detained first at Long Bay Correctional Centre in Sydney, then in late December 1966, Kocan was transferred from gaol to Ward 6 for the Criminally Insane at Morisset Psychiatric Hospital on the NSW Central Coast. He was released on license from Morisset in August 1976, and began to rebuild his life by writing about his experiences. His autobiographical novellas *The Treatment* and *The Cure* told of his harrowing life in the asylum during his imprisonment.

Both of these assassination attempts were eerily similar in their execution: a lone gunman appears from a crowded scene and fires upon an unsuspecting target. By pure good fortune alone, neither Calwell nor Prince Alfred were killed, or even seriously injured, with the bullets being deflected away from the intended target area. The perpetrators of the two plots were dealt with harshly, subject to criminal legislation of their respective times. James O'Farrell was rapidly hanged for his crime and Peter Kocan was sentenced to life imprisonment, ultimately serving a ten-year term of incarceration.

What then can we make of the Gajic case, by comparison? Nedeljko Gajic was arrested on 17 November 1966, almost one year to the day before Holt died. Following a few farcical court appearances Gajic was fined a mere twenty dollars and sent packing back to his native Yugoslavia on the 2 July 1967, only five months before Holt's eventual death at Cheviot Beach and two months prior to the arrival in Australia of one John Michael Hand (whom we shall discuss at length in later chapters). Despite whatever mitigating circumstances might have affected Gajic's situation, he had nonetheless entered government grounds and fired a lethal weapon at an Australian Prime Minister with the intent of killing him, only five months after Kocan had made his attempt on Calwell.

Gajic, as the report confirms, was positioned near Parliament House for a full week, and managed to fire a shot at Holt, in the middle of the night, from some distance away and directly at the Prime Minister's office window with a sawn-off .22? Clearly Gajic had some assistance in this matter. For instance, how did Gajic know that Holt was in his offices? Based on the limited range of a sawn-off rifle with no telescopic scope, how close was Gajic to the Prime Minister's office window? How did Gajic gain access to Parliament House grounds to even be at such close proximity? Also the question must be asked as to what would have happened had the civilian cab driver not informed police as to the event even occurring? Would Gajic have eventually been successful in this first attempt on Harold Holt's life if not for the taxi driver's actions?

The police report also states that Gajic was attempting to flee into the local bush after his fateful ride in the taxi. What was Gajic in flight from if he had as yet not been detected by authorities? Remember it was the cab driver, Mr Battisla Collusi, who had informed authorities in Sydney of Gajic's actions. He had not been detected up until this point, so who was Gajic in flight from exactly? Was his failure to kill Holt a factor in this?

Remember we are talking about the Vietnam War era, and Australia was experiencing significant protest activity during that unstable period. There's no way that a lone sniper would have been able to access the grounds at Parliament House at that time, especially at night. Relating back to Holt's disappearance on Cheviot Beach, Australian security agencies ASIS and ASIO, along with Federal Police, knew about the attempt on Holt's life in his Parliament House office, and **they were also aware** of the public animosity towards Australia's involvement in Vietnam, yet these agencies willingly let Holt travel on his own.

Arguments that suggest 'It was a different time back then' just don't explain why the Prime Minister was left to his own devices on that trip to Portsea. Security incidents involving President Johnson's visit in 1966 highlighted just how volatile the political scene was becoming when protestors in Sydney chanted 'LBJ, LBJ, how many kids did you kill today?' When several demonstrators lay down in front of the car carrying Johnson and NSW Premier Robert Askin, and the driver asked Askin what to do, Askin reportedly replied 'Run over the bastards.' In Melbourne, protestors splattered Johnson's car with paint bombs; two young students who threw the missiles were seized and beaten by police and security guards, arrested and subjected to a forced psychiatric examination. This is yet another example of the harshness of the rule of law in Australia as it was interpreted in the 1960s. Peaceful protestors were arrested, beaten by police and forced into psychiatric examination. Kocan was tried and found guilty of the attempted murder of Arthur Calwell and sentenced to life imprisonment. When viewed upon in these circumstances, how absurd is the Gajic case and its aftermath? With two assassination attempts made against political identities, Holt included, why was the Prime Minister allowed to wander off on his own with no security whatsoever? In fact the security services knew exactly where Holt was, as is shown by the immediate response to Stewart's report of Holt having gone missing. They knew where he was and turned up right on queue. The fact that Holt was reported as having drowned is very ironic considering his comments to his press secretary, Tony Eggleton: 'Look, Tony, what are the odds of a PM being drowned or taken by a shark?' Little did Holt know that this offhand comment had set in motion the wheels of his own demise, sparking the seeds

of a plot that would end in his being killed at Cheviot Beach.

There is little doubt that Harold Holt indeed found himself caught in a rip tide and perhaps even an undertow, however the man was very knowledgeable concerning how to correctly deal with those types of conditions, having swam at the beach many times. Claims that Holt's old football shoulder injury may have contributed to his drowning don't make sense if one understands how rips actually work. As noted, one needn't swim out of them with any great power, one can rely on the body's natural buoyancy and slowly move to the side of the outflowing current. Holt was described as actively swimming, using his so-called bad shoulder. He was not wearing a snorkel, so there could be no equipment failure as was reported happening to him on a previous occasion, when he had to be helped from the same beach in an altogether different set of circumstances (which involved him actively being underwater, spearfishing).

Far from near drowning, Harold Holt was in his element, forging ahead in the rough surf as he had done many times in the past. Feeling the adoring gaze of his lady friend Marjorie on him (and being a natural show off), Holt pushed out past the breaking surf. Feeling the strong current pulling at him and Marjorie calling out to him to come back, Holt was working his way to the side of the rip he was caught in. Holt was confident in the water and if the worst happened he could hold his breath for some time until the water calmed. Holt was proud of showing off his physical prowess and perhaps even mildly enjoyed watching the younger man, Stewart, back out of the rough water, noting to himself to give the boy a few pointers on surfcraft later in the day. A large set of waves was heading towards him when he was around forty metres out from the beach. To avoid them he dove underneath the surface, when from nowhere two bullets hit him.

#### THE ASSASSINATION HANDBOOK

CIA records on assassination planning outside of the US were first gathered pursuant to a Freedom of Information Act lawsuit filed in 1979. The records were withheld on national security grounds at that time. In 1995, the CIA's historical staff 'rediscovered' these records during a search of materials to be declassified as part of the Agency's 'Openness' program.

After years of answering Freedom of Information Act requests with its standard 'we can neither confirm nor deny that such records exist', the CIA finally declassified some 1,400 of over 100,000 pages estimated to be in its secret archives concerning destabilization programs. Found among the training files of the CIA's covert operations division, among several hundred records released by the Agency on May 23 1997, was an instructional guide to assassination. The study of assassination is a how-to guidebook in the art of political killing, a 19-page manual offering detailed descriptions of the procedures, instruments, and implementation of assassination.

The small, albeit dramatic, release came more than five years after then CIA Director Robert Gates declared that the CIA would open its shadowy past to post-cold war public scrutiny, and only days after a member of the CIA's own historical review panel was quoted in the *New York Times* as calling the CIA's commitment to openness 'a brilliant public relations snow job'. CIA plans for 'operational successes' overseas called for occasional assassinations, and the plans were discussed in great detail at very high levels of the agency and the US State Department, however no records of the



formal approval or disapproval of any assassination plans by any President have ever been made public (as none likely exists). The newly-released files also included a 22-page how-to manual on murder that says, 'No assassination instructions should ever be written or recorded.' Annexed to this work is a typed transcript of the assassination file, of which many points fit with Holt's disappearance

#### HOW TO BUILD A KILLER: INSTRUCTIONS INCLUDED

In later days the surviving former soldier's mind would recall looking over his sights as the deadly copper projectile rifled through the air towards its ultimate destination. The twin bullets converging, seemingly in slow motion, on an unsuspecting and helpless target. As the unknown target's body erupted from the terrible impacts, the soldier's mind distanced himself from the deed, knowing but not caring that he had taken this man's life and erased him from existence. The spray of blood might as well have been scattered rose petals on the grey ocean, the life he had just taken no more than a necessary deed, like putting on his boots in the morning or getting out of bed.

It takes a certain type of person to kill another human being. There's something missing from their character, an emotional disconnection from the rest of humanity. Certainly any human is capable of the deed, but a professional lacks something in their essential makeup. A person can commit murder for many reasons, usually because of extreme emotional stress. A primeval reflex action brought about by the fight or flight instinct imbedded in us all, by nature and human evolution, a remnant of our savage past. With a professional assassin the disconnection is refined by years of training. Military personnel are sifted by a physiological profiling process, exposed to high-stress situations and tested on their specific personal reactions to those set of situations. These character types in days gone by, in past wars for instance, were known as heroes. With death all around them these men had the ability to stand up and take action against a hail of incoming bullets, exploding mortar rounds and screams of the dying. They had the ability to change the tide of battle whilst normal men kept their heads down and fired rounds into the air at nothing. The military eventually learned how to locate these kinds of men during their training or at least have a better understanding of how that individual might react in a real battle situation. What the military had perfected was finding people that might otherwise be labelled as sociopaths in civilian society.

Sociopaths are not psychopaths, although in some cases one could also be the other. A sociopath has an emotional disconnection with the rest of humanity, they don't feel things from an emotional perspective. A sociopath operates on a different wavelength to the rest of the world but fits in quite well because they learn to mimic normal reactions to social situations. They form friendships, have families, get regular jobs and the rest of the world is oblivious to how they really are. That is until an event may occur that shows them for the generally uncaring people they truly are. These people can be almost perfect killers, they kill with impunity and cold logic and follow orders to the letter, so long as it suits their needs.

Learning a target's routine and killing them because of these unbreakable habits is what covert operative agents are trained to do. The cell team leaders that orchestrated the assassination of Harold Holt excelled at it. As a consequence neither Holt nor most of the Australian Government could even imagine a co-ordinated operation to eliminate the Prime Minister by elements both outside

and within his own government, given the open political allegiances of the times. The actions of this team of men and the way in which the operation was conducted would be a model that clandestine espionage would follow until the present day. This was the birth of profiling specific personality types for applications of international assassination. Intelligence gathering organizations, specifically the CIA, profile all their agents—in fact the CIA was the organization that first began to look into how certain personality types operate under pressure.

Ralph McGee was a former CIA operative and explains what the CIA look for in an agent: 'They were looking for the total personality picture. They can pick up one element of your personality or another or another and come up with the individual's total picture. And what they are looking for is the ERA type of personality. In the E mode they are looking for the Extrovert who likes to be active, who doesn't particularly like to sit and think, who doesn't like to plan in advance but works by trial and error. In the R mode they are looking for the Regulated individual, or the rigid I call it, a person who sees the world in black and white certainties, there are no shades of grey, a person who has trouble feeling sensitivity towards others. Then in the social mode they are looking for the A or Adaptable individual, a person who will not protest, who adjusts his personality to the milieu he finds himself in at the time. So you get this total ERA type of personality which they are looking for, and you recruit this man, knowing this person, knowing his ideological position, always to the right-wing of course. And then you take this sort of personality, put him into the system, indoctrinate him in the tenets that the world is threatened by an international communist conspiracy and you feed him all the so-called "intelligence" the Agency collects and you have a sort of hermetically sealed lifestyle that reality can never penetrate.'

So on behalf of American business, and often with their help, the CIA mobilizes right-wing groups within the country, and offers them a deal: 'We'll put you in power if you maintain a favourable business climate for us.' The Agency then hires, trains and works with them to overthrow the existing government (usually a democracy). It uses every trick in the book: propaganda, stuffed ballot boxes, purchased elections, extortion, blackmail, sexual intrigue, false stories about opponents in the local media, infiltration and disruption of opposing political parties, kidnapping, beating, torture, intimidation, economic sabotage, death squads and even assassination.

During the course of these activities operatives genuinely believe that they are working for the greater good. They rarely question the intel they are given, trusting it quite blindly. Working alongside corrupt politicians and various underworld figures is, in their minds, justifiable to the cause. In the following chapters we shall name the intelligence personnel involved in Holt's killing. We will delve deep into their personal backgrounds, their lives and what finally became of all members involved in Australia's greatest crime.

## CHAPTER THREE

### MAKING A KILLING: THE ASSASSINS

Most countries have a military arm that deals with secret operations, whether those operations are abroad or at home, inside the respective country. These military and intelligence units are designed to work independently of the government and military establishment. Generally they come under the heading of special operations units. In modern times there are quite a few of these military units and agencies. During the Vietnam War and prior to that in Borneo, Australia was just as heavily involved in covert operations as the US. In fact at that time Australia had interwoven its forces and operations heavily with the American cause.

Often the military acts on information gathered by well-known civilian agencies, such as ASIO or ASIS, or in the US the CIA or its lesser known naval equivalent, designated Task Force 157. The US Navy had conducted clandestine human intelligence operations during the 1930s and World War II. By the mid-1960s however, the navy was largely out of the clandestine business. Then, in 1965, Admiral Rufus Taylor asked Thomas Duval and Thomas Saunders to set up a naval intelligence program. Despite some concern by senior navy officers the proposal was approved, resulting in a memorandum from Secretary of the Navy Paul Nitze. The memorandum provides a rationale for the creation of a new HUMINT (human intelligence) organization and establishes the responsibilities of senior officials. With regard to security, the memo mandates that the very existence of the program be classified Secret.

Nitze's memo would lead to the establishment, in 1966, of the Naval Field Operations Support Group (NFOSG) to conduct clandestine operations. It would soon be given an alternative designation, Task Force 157, by which it would become more commonly known. The memo also cites the use of establishing cover businesses that for all intents and purposes appear to be genuine concerns, to be used by what we now call Non-Official Cover (NOC) operatives such as Maurice Houghton, who we shall discuss in the following pages.

Task Force 157 was a group set up by Henry Kissinger, and it was set up in an unusual way. It functioned like a mini CIA, was actually separate from the CIA, and was most likely set up by Kissinger so he could deny any connection between what Task Force 157 was doing and the CIA. Nevertheless, the personnel of Task Force 157 included Ted Shackley, who was one of the heads of sabotage operations against Cuba, a Station Chief in Saigon during the Vietnam War, and the Chief of the CIA Western Hemisphere Division. With an impeccable CIA record like that it would be very difficult to disassociate him from what the CIA was doing.

The concept of Task Force 157 seems to have been to go ahead with using Australia as a base for certain clandestine US operations, such as arms dealing and smuggling of contraband goods, utilizing ex-military assets, or, to put it another way, military personnel that had branched into or been promoted from special forces units. In most special operations that involve military action there would be a chain of command that began with the intelligence agency operatives themselves, in effect giving orders and intel to military operatives. In the case of Harold Holt's assassination the intelligence officer most responsible was an ex-Green Beret CIA operative known as Michael Hand, well known for his involvement in the Nugan Hand Bank scandal of the mid-seventies. Mr Hand's Australian



operations actually began when he arrived in Australia in 1967, and the circumstances leading to Holt's death actually began years earlier in Vietnam, when Hand operated in Laos. Hand was the primary agent dealing with the application of intelligence gathered from Australia's other organizations in relation to the logistical and personal data required to effect the assassination of Prime Minister Harold Holt. ASIO and ASIS at the time were subordinate to the CIA in many aspects. The actual cell elements that Hand had at his disposal came from the Australian Special Air Service Regiment, or SASR as they are known. This was done in a way that gave those involved in the plot what is known as plausible deniability. Utilizing Michael Hand gave political elements involved in the plot in Australia exactly that. The assassins were ordered to eliminate Holt and then join the quick response search effort after his death, effectively melting into the throng of the multi-service search party that eventually numbered in the hundreds around Cheviot Beach.

#### THE SILENT ENFORCERS: NOC NOC WHO'S THERE?

The soldiers who fired the shots into Harold Holt on 17 December 1967 were Australian. However, the clandestine operatives who orchestrated the plot were from Task Force 157, more specifically CIA NOC agents. An agent sent to spy on a foreign country might, for instance, pose as a journalist, a businessperson, a worker for a non-profit organization or an academic. The two agents working in this capacity in this instance were Michael John Hand and Maurice Bernard Houghton.

#### MR WANNABE: MICHAEL JOHN HAND

In May 1963 Hand joined the US Army and started his training at Fort Bragg, North Carolina. Hand passed every class he took, and was noted for exceptional character, courtesy, co-operation, and appearance. His IQ registered an exceptional 131. During the Vietnam War he won the Distinguished Service Cross (DSC). According to the DSC citation he almost single-handedly held off a fourteen-hour Vietcong attack on the Special Forces compound at Dong Xoai. In 1966 he left the army to work 'directly for the US government'. Friends of Michael Hand have suggested that he was employed on undercover missions for the CIA in Vietnam and Laos. One reported that he 'helped train the mountain tribes in Laos and worked closely with the Air America crews that supplied them', during the Vietnam War and become one of the principal characters involved in the transportation of drugs out of Laos, which were worth billions of dollars in munitions trade and political payoffs for the CIA in its war on anti-Western countries, including Indonesia, in Southeast Asia.

Hand worked under William Colby, the former Director of Central Intelligence. One of their big operations was to buy a former US naval base in the Caribbean. Australian police investigators who examined that contract, drawn up by William Colby for Michael Hand, concluded that the base was used to establish a way-station for cocaine smuggling between Colombia and the United States. The Australian police investigators documented that Hand worked very closely with Australia's top criminal drug traffickers to finance the first shipments of heroin into Australia from Southeast Asia.

Michael Hand moved to Australia on July 10 1967. There are some very strange circumstances surrounding his immigration into the country. In the course of writing this work we have managed to access Hand's actual immigration file, which surprisingly was not held in the framework of immigration



files at the national archives, but rather in the defence records section in a military series, filed away as A1533. Hand's immigration photograph shows a young, clean cut, sober-looking individual with a documented height of 5'10" and weight of 185 pounds, in the old scale. Hand passed routine immigration testing which involved substantial medical examination and screening for tuberculosis. In his file there is a letter written from Hand to the Australian Consulate General in New York which reads:

Dear Mr Waddell;

It is with earnest desire that I am replying to your letter of Feb. 10 - (BJF/EED). It was unfortunate that because of the great deal of traveling I do that it took so long to finally receive your letter. However I wish to assure you that my plans are most definite concerning settlement in Australia, and am still set to make the trip. It is only due to a commitment of a present contract that forces me to delay my movement plans for a few months. I am certainly looking forward to my new environment and as soon as I am able to complete this job I will be personally calling at the Consulate for final travel instructions. Your interest in the matter is greatly appreciated.

Yours Truly,

Michael J Hand

The work Hand mentions in this letter was contracting for the CIA, as we have already mentioned, out of Laos with Air America. When Hand finally stepped off the plane he had no passport number and was fined a mere one Australian dollar. His passport lists his qualifications as an ironworker and 'Journeyman'. His actual file, however, confirms that he was a special forces operative stationed at the home of the Green Berets at Fort Bragg, North Carolina. The file also lists Hand as being an expert in communications, engineering, surveying and deep-sea diving. On his application this 'Journeyman' stated that his intended destination in Australia was to be the Northern Territory. Hand states he was to be involved in 'building and construction in a rural area'. This would be a small place named Pine Gap.

## A HANDY GAP IN THE FENCE

It is very difficult to separate the myths and legends that surround Harold Holt without mentioning Pine Gap. At the onset of this work we had no intention of covering conspiracy theories that concerned Holt and his government's association with the joint US and Australian facility. This changed when the line of evidence produced information which suggests Michael John Hand actively entered Australia as a CIA operative and his first port of call was indeed the area that now houses the Pine Gap facility. We shall briefly cover aspects of what Pine Gap is so that any reader unfamiliar with Australia's most famous American base will at least have some grounding in what we are referring to.

In 1966 the US Government entered into secret talks with the Australian Government, at the time under Harold Holt, on the topic of constructing a Satellite Relay Station somewhere in Australia's inland. Initially a twenty-five acre piece of land owned by the Australian Air Force was offered to the US. The site, located only seven kilometres from the town centre of Alice Springs, was inspected by

the Americans but found unsuitable. Ultimately a site some distance from Alice Springs was selected, and this area became known as Pine Gap.

In 1967 construction began on the facility, just 19 kilometres from Alice Springs. The site is located at the end of Hatt Road on the South Stuart Highway, near the Roe Creek crossing. US government personnel at Pine Gap are believed to be mostly from the American National Security Agency (NSA) and subordinate service-associated agencies as well as the Central Intelligence Agency. These personnel (including technicians, scientists, security experts, military personnel and indeed intelligence operatives such as Hand) were brought into Australia from 1967 with covering stories as to what they were doing in the country.

Over the years there has been much speculation as to the level of significance Pine Gap has had on the Australian political scene, from the Holt years and on to the dismissal of the Whitlam government, based on rumours that Whitlam was going to close Pine Gap. These same rumours (shutting down the facility) have been said by some to be the reason for Holt's assassination, though in truth they warrant little merit.

In the Whitlam case, there is some intelligence information to suggest that the CIA may have played a role in his government's dismissal, although this is based more on Whitlam wanting the Australian Government to have greater control over exactly what US bases in general were up to in the Australia. Again, this was not the case in Holt's time as Prime Minister. It was, after all, his government that welcomed the proposal. Researching this work unearthed a plethora of secret Cabinet papers from the Holt era released under the twenty-year rule that show the government as welcoming and supporting the establishment of the Pine Gap facility. However in retrospect, looking at the broader picture, Pine Gap was Hand's stepping off point in Australia and ultimately this contributed to Holt's demise, and the establishment in later years of the Nugan Hand Bank.

After Hand had spent some months in the Northern Territory, of which no record of events exists, he moved to Sydney at the bequest of a CIA operative by the name of Maurice Bernard Houghton. (Houghton's immigration file is still classified as top secret. One believes that Hand's immigration file, quite fortuitously, slipped through the proverbial cracks in the twenty-year rule system.) At first Hand went to work selling development lots along the Australian coast. In this position he had the opportunity to investigate Holts Bingil Bay property in Queensland, where Holt was initially to be killed during his birthday trip there in 1967. Apparently Hand was gathering intel on Holt when he went on a fishing trip to the Great Barrier Reef in 1967 following Gajic's failed attempt, only a few months before he disappeared off the Victorian coast. Strangely the Bingil Bay plot was aborted due to the Holts having extensive security staff accompanying them on that particular trip. This, as we have seen, was not the case at Portsea when Holt 'drowned' having zero security with him at that time.

The company Hand worked for in this role, Ocean Shores Development, was run by lawyer Fred Miller, a senior executive for the shipping empire owned by the Yugoslavian born Hungarian, Sir Peter Abeles. As an indication of their CIA contacts, in September 1969 Hand formed Australasian and Pacific Holdings Ltd, a real estate company whose seventy-one shareholders included nineteen people then employed by the CIA's contract airlines in Indochina, Air America and Continental Air Services. Sometime early in 1968, after Holt's death, Hand met Frank Nugan, a local lawyer and

playboy, heir to a modest canned food processing fortune, via Peter Abeles and the two are believed to have shared an apartment before they both married their wives. It may not be a coincidence that Nugan came from Griffith, an area in rural New South Wales associated with high-yield marijuana crop growth, Australian Mafia activity and the death of a local MP, Donald Mackay, who was attempting to expose criminal cartels in the area.

Michael Hand was crude in manner, violent in speech, and poorly educated, he had no banking experience and would bring little more than his cunning, brutality and covert intelligence contacts to the building of Nugan Hand Bank. Hand was responsible for the death of Frank Nugan after the bank was revealed as a front for arms deals, money laundering and drug importation. Hand is alleged to have thrown his personal helicopter pilot Billy King, who was also ex-Air America and involved in drug trafficking out of Laos, from a ten-storey window when King threatened to go to the authorities after a personal 'falling out' with Hand.

#### THE MOUTHPIECE: MAURICE BERNARD HOUGHTON

Maurice Houghton was born in Texas in 1920. He finished a semester at Southern Methodist University and later served in the military during World War II. Houghton arrived in Sydney from Southeast Asia in 1967 with an impressive list of references from senior US military officers. The day he landed in Australia Houghton had coffee with Sir Peter Abeles, who just happened to own half of Australia's second biggest domestic airline, Ansett. (Incidentally Ansett choppers were the first to respond to news of Holt's death, and Ansett owned shares in another airline, America West, one of whose planes was caught in the US full of drugs.)

Houghton obviously came to Australia with the intent of establishing cover businesses for the commencement of drug-running operations, munitions smuggling and money laundering for the CIA. Houghton opened the Bourbon and Beefsteak Restaurant, the Texas Tavern and Harpoon Harry's, all three establishments on the seamy side of Sydney's Kings Cross, catering, in part, to US troops on leave from Vietnam. Houghton, known as 'Bernie', soon set about establishing contacts with major players in Sydney's underworld. Known associates of Houghton at that time were Peter Abeles; Paul Strasser; John D. Walker, the CIA's Australian station chief from 1973 to 1975; Premier Sir Robert Askin, a corrupt politician notorious for his contacts with criminal syndicates; Abraham Saffron; Leon Carter, state director for the clandestine ASIO; George Freeman, leading illegal bookmaker; George 'the Duke' Countis, an American crime figure who 'owned' a gaming table in an illegal Sydney casino, and Murray Riley, who had quit the police to become a 'patron' in the criminal underworld.

Significantly, Michael Hand, too, quickly developed a close business and social relationship with Riley.

(It is interesting to note that, Denis West, one of the snipers who shot Holt, had worked for Peter Abeles as a truck driver prior to his enlistment in 1962 and was offered 'work' when he ran into one of Abeles's senior transport managers in Kings Cross on leave from the army. West had spoken of his Carter course experiences to the man over quite a few beers at the Bourbon and Beefsteak. [The Carter course is part of the SASR's selection process.] West believes that this information had been passed to those in ASIO involved in the plot and was crucial in his selection as part of the team sent

to Portsea to kill Holt.)

The degree of sophistication put into non-official cover stories (for NOC agents) can vary considerably. Sometimes, an agent will simply be appointed to a position in a well-established company which can provide the appropriate opportunities, such as in Houghton organizing an appropriate job for Hand via Peter Abeles. Other times, entire front companies can be established in order to provide contacts needed for whatever operation was required. Examples include Air America, used by the CIA during the Vietnam War, and Brewster Jennings & Associates, used by the CIA as a legal arm. In Houghton's case it was establishing fronts that could be used to make contacts and to collect and distribute monies, drugs, munitions and information. His premises also provided safe meeting establishments for his associates in the Australian Government agencies and defence. Houghton displayed a smooth working relationship with high-ranking military officers and CIA and US embassy personnel. It was at this stage that Houghton made the necessary arrangements to acquire the Australian SASR team. Houghton's international travels were facilitated whenever he was needed by Australia's secret security agency, ASIO, which also gave him security clearance in 1969. He claimed that he met Hand in the autumn of 1967. However, in one interview he admitted he had been told about Hand in 1964: 'I had heard of Mike Hand's great combat exploits and courage, which was well-known in Vietnam.'

Houghton clearly had important contacts in Australia. When he applied for a new Australian visa in 1972, he gave the immigration officers the name of Leo Carter, director of ASIO in New South Wales, to support his application. Carter also arranged for him to get permission for unlimited re-entries to Australia in the future. Another connection that Houghton had was with a man called Edwin P. Wilson, who was a very senior member of Task Force 157, the top-secret group within US Naval Intelligence. These two men and their shadowy contact network were the people directly involved with organizing Holt's killing, which included payoffs to high-ranking politicians, some in Holt's own Cabinet.

#### POLITICAL PROTOCOL: MANIPULATING THE SYSTEM

In a lengthy interview with Robin Smith recorded in 1994, Malcolm Fraser discussed his life and political career. This revealing and insightful discussion shows Fraser as a man driven to succeed and who, as a consequence of this force of will, found himself embroiled in some of Australia's most controversial political events. There remains no solid proof that Fraser was himself involved in intelligence agency activities but rather due to his political profile, his career path may have been steered in a desired direction by those seeking a right-wing anti-socialist government in power. Fraser held very specific views on socialism, which he discussed openly with Smith, stating that 'I really had seen the total mess that socialism had made of Britain, and just—it wasn't just the war, but five years after the war they still had the most massive controls, the most massive regulation, the normal food that was available for normal people was miserable. Other people have tried socialism or they've tried communism and they've both been most horrible and ghastly failures. But capitalism in its pure form is not really very acceptable either. It was just a more easily tamed system than—I mean I don't think there is any way of humanizing socialism or communism.'

Fraser actually was voted into government on the back of the anti-communist labour movement. It



was this movement that may have had CIA anti-communist influences, which Fraser may or may not have been aware of, however it certainly helped Fraser to be placed into government. He himself admits that: 'Well the economic cycle was starting to move in the government's way, and I'd done some more work in Wannon, and if there was going to be a swing to the Liberals anyway, I ought to have been able to close the gap of seventeen, because it had moved my way when there was a swing against the Liberal Party in most of the rest of Australia. But with the split it was easy, because the DLP or the Anti-Communist Labor Party were going to shove their preferences in my direction, and I won by—oh I've forgotten, five or six, seven thousand.'

There can be no doubt that Fraser was a consummate politician who used associations that helped him achieve his political goals, but when those associations had run their proverbial course Fraser had little problem in overstepping those that he had seen as being ineffective or ideologically incorrect. It was Harold Holt himself that appointed Fraser to his first portfolio as Minister for the Army. Exactly why Holt chose Fraser is only hinted at, but Fraser did discuss aspects of his selection with Smith during the extensive interview with Smith: 'I went to Harold Holt, it was in his office in Sydney and he was trying to put his government together and I said I'd just like to know you know where I stood. I wanted to know if I had any future in his government or whatever, because if not, I wouldn't stand at the next election. He rang me up and he offered me the portfolio that I was most terrified of being offered and that was Army. Terrified because I knew nothing about army or army organization. I hardly even knew what the badges of rank meant, so I had to start really at the bottom and I had some diffidence about it, because I would have been the first non-soldier, or non-serviceman to be in a service portfolio post-war.'

Fraser himself admits that given another choice he would not have even voted for Holt to become the Liberal party leader after the resignation of Menzies: 'I would have voted for Barwick and not for Holt.' Garfield Barwick was the Attorney-General of Australia between the years 1958-64, and Minister for External Affairs, 1961-64. During the Cold War Barwick was the preferred advocate in the Menzies Liberal government's failed attempt to ban the Communist Party in 1951, and was also appointed to represent the Australian secret service in the celebrated Petrov Royal Commission of 1954. During the 1975 constitutional crisis, as Chief Justice of the High Court, he controversially advised Governor-General Sir John Kerr on the legality of dismissing a prime minister who declined to advise an election when unable to obtain passage of supply. Fraser continued: 'I wasn't sure that Harold was strong enough. He was a good man, but Barwick wasn't in the parliament, so I would have voted for Holt. It depends who it was and what it was. I mean Harold tried to build support from all points of view and he was certainly powerful and influential in the party, and to be regarded well by him and to be supported by him was certainly a big help.'

As Minister for the Army Fraser was by his own admission somewhat out of his depth, having virtually no working knowledge of how the armed forces functioned. It is perhaps this naivety that got him the job in the first place, given that the plot to kill Holt would have been active even at this early time in Holt's second ministry. Fraser discussed this difficult portfolio and his breaking in period with Robin Smith: 'Well I had to drive myself hard because I had to learn about the Army Ministry and what made it tick. You know, the first few days of briefings, what the army's about, what it means, what the

Adjutant-General does, what somebody else does what this person does, and what the generals' staff do and—it was all from scratch—what people in uniform do, what the civilians did. Then I suppose at about the fourth day, a whole bundle of letters came in. "These are the letters to sign today we'll collect them in ten minutes."

It is entirely possible that during this period of change in ministry that orders being issued involving plans for Holt's assassination probably circumvented the army ministry and perhaps even the Minister for Defence entirely. This is not unprecedented and Fraser himself discussed with Smith a little-known story relating to just this kind of attempted circumvention of due political process in government, relating to the use of armed forces in action against a civilian population. There was a famous case—or not case, it received very little publicity—but there were disturbances in Papua New Guinea [and] either the administrator or the minister or somebody, anyway, felt that the military forces ought to be called out. Now I was Minister for Defence at the time and the reports I was getting from defence personnel in Papua New Guinea were that there was absolutely no cause at all for a call out of the troops, which would have meant those troops were available to the civil power, which meant the administrator [could] say, "Go and capture this village", or "do that", or "put down these dissidents", or whatever. But if there was going to be that kind of decision by government, it should go through the Defence Council, which was the service chiefs—the Chief of Defence Staff, Heads of Treasury, Foreign Affairs, in this case Territories, maybe one or two others, but all officials. Then it would go to Cabinet, then it would go to the Executive Council. Without going through any of those processes, there was an attempt to take it through the Executive Council. I, in effect, rang up the Governor-General of the day and warned him that somebody was going to ask for him to sign an Executive Council order for the call-out of troops, which did not have my approval and had not been discussed in Cabinet.' So it is made clear that at times due process was circumvented in the Australian political system relating to the unauthorized use of military elements.

Fraser goes on to relate another instance when the military was utilized in an illegal fashion by Gareth Evans. 'Gareth Evans, as Attorney-General, used air force planes to take photographs to be used in a High Court case against a state, you cannot use any part of the military forces as an aid to the civil power unless there is a request from the state government concerned, unless that is sanctioned by a Cabinet decision and approved by the Governor-General in Council. Every part of that was totally illegal, totally in defiance of the systems and structures. If you're going to use that, you need a request from the state, which of course you wouldn't get because it was a case against the state and it was over the state's territory. You needed a Cabinet decision and an Executive Council decision before you could give a lawful order to use that F1-11 aircraft to take those photographs.'

From this perspective Fraser seems somewhat naive in his understanding of how intelligence services operate. They do not always go through official channels to get highly-sensitive operations funded, approved and executed. As Minister for the Army Fraser made several trips to Vietnam and so experienced for himself what was happening over there. This level of interaction certainly gave him very specific insights to the situation as it stood, however his long-lasting views on how the United States operated was not really one hundred per cent accurate. This can be demonstrated by comments Fraser had made to Robin Smith during his lengthy interview in 1994, when he discussed

his views on how America withheld funding from the armed services and from his view this contributed to the loss of the war. 'They weren't allowed to do their job because of political rules. That might sound odd because often people think of Vietnam as the war without rules, but I visited General Walt who later became the Supreme Marine Commander in the United States and he was commanding the marine army then, south of the demilitarized zone. He was being attacked from the north by a hundred thousand-strong Vietnamese Army, and they'd attack and withdraw to the demilitarized zone and then he couldn't touch them. But if he'd been allowed to send some troops around and some boats around behind them, he could have locked them in a pincer movement and, in his terms, "chewed them up and spat them out", and the Vietnamese war effort would have been significantly weakened. He wasn't allowed to do any of that. He even had people from Treasury coming out to him because the President kept saying that they weren't at war, and trying to audit his use of fuel and ammunition on the basis that he was exceeding peace time rations. You know, how absurd can you be?'

And yet William Colby, the then director of the CIA, tells a completely different version of how funding was made available for operations. Colby explains how he had obtained money from various sources in order to keep intelligence operations running despite the fact that Washington was tightening its financial bootstraps, so to speak: 'The fact is that you were able to work informally because of the wartime funding problems or techniques. That you didn't have to, you know, have every little jot and tittle approved by Washington and a different agency in Washington. I got money from AID, from USIA, from the military, got people from there and CIA and every place, State Department people—everything—and just put them into one team. The GAO [General Accounting Office] came over to investigate how much money we were spending at one time and I, quite frankly, in some cases had to tell them that I didn't know. Because the material was passed into the stream back in Washington, and I didn't know how much money was involved. I had nothing to do with the money; I wasn't handling the money. I was just handling the strategy and insuring that the weapons went to the right places and things like that. Colby went on to say 'It really did shock them (the General Accounting Office and the methods Colby used to gain operational funding), but they did understand it. They wrote a very good report. They said, "Well, there ought to be some better controls on this, but we understand the point." I said, you know, you can't have guys out there with a machine gun counting the damn bullets. They were pretty good about it, but it was initially quite a shock to them.' In fact this need to obtain funding outside of the US congress is one of the principal reasons Holt was killed, as we shall explain a little further on in this work.

### THE SHARP END: EXPENDABLE ASSETS

The SASR regularly worked with naval clearance divers in operations during Vietnam, and in other activities since. Whilst there is no official secrets act in Australia, members of the defence force are still bound by military law and various other crimes legislation to prevent sensitive information being leaked to the general public. Defence personnel are made aware of their obligations quite clearly on this matter and are also made aware of the penalties involved if they are found to be in breach. The SASR in particular operates under very secretive circumstances, and justifiably so. The history of



Australia's 'Special Forces' can be traced as far back as the 1940s when Australian soldiers were part of the Allied Intelligence Bureau, or AIB.

The two soldiers who were employed in the Holt killing were proficient SASR snipers and had both had earlier tours of Vietnam. The soldier positioned above Cheviot Beach near Fort Pearce was Private David John Elkington Fisher, then aged 21, of Balgowlah Heights, NSW, and who served with J troop 3rd Squadron. The second soldier, positioned on the sandy cliff on the opposite side of Cheviot Beach was Denis John West, a qualified sniper who served in a different troop and squadron to David Fisher. Both men assisted in the search for Holt following the assassination so as to blend into the incident area. Both men were returned to Vietnam not long after the assassination of Holt. West supplied the following statement concerning his involvement in Holt's killing.

#### THE ASSASSIN: DENIS JOHN WEST

My name is Denis John West. I was born in 1944 in Sydney, Australia. I married Beryl Teresa Sloan under the alias of Denis James Jones, having met her in Kings Cross whilst on leave from the army. As it eventuated Beryl became pregnant out of wedlock, which at that time was still frowned upon by society. We had two children, Raylene Jones and Paul Presley Jones, and as a result of that we got married. At that time I was in serving with the Australian Special Air Service. My rank was private and my service number was 217157. Owing to the nature of my duties I informed my wife I was an interstate truck driver. I actually lived in Western Australia at Campbell Barracks, Swanbourne, but managed to convince Beryl that my absences were due to interstate work commitments.

I had been in the military since the age of nineteen having worked previously as a truck driver for Thomas Nation Wide Transport owned by Peter Abeles. Eventually I told Beryl the truth, which caused considerable strain on the marriage. This would have been around the time of Paul's birth in February 1967, for which I was granted a brief leave of absence from the army. Whilst serving in Vietnam as detached to 1 Australian Reinforcement Unit. On 13.12.1967 I was ordered by Colonel Beesley to proceed via military transport to Tan Son Nhut (Saigon) airport and onto a Hercules C130 transport plane.

I was flown to Essenden airport in Melbourne, Victoria, arriving on Friday, 15 December 1967, where we were met by an American in plain clothes who introduced himself as Mike. He mentioned that he had served in Vietnam with the Green Berets. This man drove myself by car from the airport to HMAS Lonsdale, a small naval base in Port Melbourne which consisted mainly of older style accommodation housing. I was shown to my sleeping accommodation and asked not to leave my quarters until I was collected by a member of the naval police.

I remained in my quarters that night, only leaving to go to the mess and eat dinner, returning immediately afterward to my room. The next day a naval police member escorted me to what appeared to be a moderately-sized briefing room, where upon arrival I was introduced to a member of the Special Air Service Regiment named John Fisher who had been transported from our base in Swanbourne (Campbell barracks) Western Australia. I had never met Fisher prior to this.

Fisher and I were then introduced to a Lt Commander Ronald Titcombe, who was a naval dive officer. Titcombe briefed us on what was to be a live firing operation that was to be held near Portsea officer



cadet training facility near Sorrento. We were told that this operation was to target a known communist spy who had been selected for termination. We were told that we were to be deployed along a local beach not far from the cadet training facility and when given a signal, which was to be a civilian climbing onto a rock in the middle of the beach, we were to fire on the communist target. Fisher and myself were also made aware that two naval clearance divers would be just outside the surf zone beyond a reef and that we were to take extreme care not to injure the divers. Titcombe went on to explain that he and one other naval diver would be in the water. Titcombe made it clear that we were not to fire on the dive crew under any circumstances.

It was made very clear to us that this operation was top secret and that we were bound by military law never to discuss this operation. We were instructed that after the operation we were to wait until the civilian spotter had departed the area after the rounds were fired, then we were to collect up our used cartridge casings and wait for the man to get into a car and depart the scene, then slowly move down to the beach area where a few civilians would be on the beach. Fisher and I were instructed to approach the civilians and enquire as to what they were doing in the area. Titcombe informed us that we should remain in attendance at the location until local military members arrived and that we should take part in a search operation until we could be safely extracted from the area via military transport. At 4.00 am on 17 December 1967 Fisher and I were issued with XM-21 rifles, which I had trained with in Vietnam, and a quantity of ammunition, then taken by military transport truck to Cheviot Beach. We positioned ourselves at high elevation at each end of the bay. It was still dark at that time. I found a position that gave excellent viewing of the entire beach and bay, then set myself into a good firing position. I remained there until a party of five civilian attired people arrived at the beach. At this point I can only speak for myself as to the actions I undertook, because Fisher was on the other side of the bay. I watched as the civilians arrived in two cars. One parked in front of the other. A group consisting of two women and three men got out of their vehicles and walked down a rough pathway leading to the beach, this would have been at around eleven in the morning, at which point I was very uncomfortable having been at my location for some time.

I observed over the top of my weapon as the party made their way down to the beach. After a while the party separated and the target, after discussion with a person known to me as the civilian spotter, entered the water. At this point I took up my weapon and watched this man through the optical telescope attached to the weapon. The man was around fifty years of age and slightly overweight. I tracked him through my optical scope as he entered the water. After a few minutes the man was swimming in deep water and waves were breaking around him. At this point a woman, who had wandered away from the area with two other younger people, joined the spotter near the shoreline. The spotter returned to the shore having just been wading in the shallows. At this point he ventured to a large rock that was off centre towards my position on the beach and he climbed the rock. At this point I trained my weapon on the figure in the water and fired once, hitting him with the round. I should think that Fisher's round would have hit him as well.

After the shooting it took me some time to work myself away from the elevated position to a point where I could stand and walk back to the beach area and meet up with the group of civilians, who by that time, were at the car park area. The spotter had not returned at this point. I could see that Fisher

was at a similar position of approach. We walked over to the group and I briefly spoke to a young man asking him what was going on. Myself and Fisher then made our way down to the beach and chatted with an off-duty army member that had only arrived a few minutes before ourselves. He was dressed in civilian attire. Myself and Fisher remained in the area for a few hours and then left via military transport back to Lonsdale.

After the operation Titcombe gave Fisher and myself a very direct debriefing once again warning us of the implications if the operation was ever discussed. The next day I was transported to Essenden airport and flown back to Vietnam. Fisher was transported to a location unknown to myself but I would assume he went back to his unit. I was sent to Second Battalion, followed by a posting to Logistical Support Headquarters and later detached to an American unit that was taking part in covert activities aimed at killing Vietcong sympathizers and political activists. It was whilst with this unit that my own life came under threat on several occasions. There was even a sort of unofficial kill order issued on me, which ended with the death of another guy, a Lt Jones, who was shot in the head during a patrol. At the time I did not know that I had fired upon Harold Holt, however upon arrival at Essenden airport I did find this out, overhearing conversations concerning the incident. I have never discussed this incident, however as I have terminal mesothelioma I wish these events to become public prior to my death. I feel the Australian public should be made aware of this crime against them as a whole.

I do not regret my actions as I was under very specific orders, however I do feel great animosity to those that created my involvement in this incident. I have since killed the person that later became known to me as Michael Hand. After I deserted the army I spent most of my time around the area known as Kings Cross. I found it easy to hide amongst that part of the population. At that time I was working again as a truck driver under the name of Denis Jones. It was at this time I was also affiliated with a biker group known as the Gypsy Jokers. It was here that the whereabouts of Mike became known to me, he used to hang around a group of people well known in the area. I'm aware that he was known to authorities as a banker under investigation for fraud I think. Hand had killed two people that I know of, one being a guy called King another was his own business partner Frank Nugan. I followed him in 1982 as he was driving towards Sydney Kingsford Smith airport. I then forced his car from the road and after a confrontation stabbed him several times. I placed his body in the boot of my car and drove to an area in Botany Bay not far from the airport. I then disposed of his body in sandy soil in an area surrounded by scrub. The area is near a portion of what is called Foreshore Drive near the Port Botany facility.

During my life I have had to make use of several alias identities owing to my involvement with Holt's death. I have been known as Denis John West, Denis James Jones and Denis John Tango. My mother's name was Maree Meek and my father's name was Thomas Lawson. It is my hope that one day the public will know the truth of the above incident so that it may never happen again. I will be making no further statements about this incident as it is my understanding that I am still liable for murder charges and wish to live the remainder of my life in peace.

Denis John West

Private Fisher was reported missing in action on 27 September 1969. West stated that Fisher was

killed by allied troops, or 'fragged' as he put it. The official story is that Fisher's extraction rope snapped or came loose as he was being lifted away from enemy action during an operation in the May Tao Mountains in South Vietnam's Phuoc Tuy province.

The people behind Holt's killing had hoped by detaching the assassins to serve with the highly secret Military Assistance Command, Vietnam Studies and Observations Group, or MACV-SOG, that they would be killed in action. As it turned out that very thing happened to Private Fisher. The unit West was assigned to was a highly classified, multi-service US Special Forces unit which conducted covert unconventional warfare operations prior to and during the Vietnam War. During Nixon's presidency the group were involved in what became known as 'the Phoenix program', an effort to identify and kill civilians who actively supported the communist cause. This program was initiated by Kennedy in 1961 when he boosted funding to the special forces and praised the Green Berets. Later during Nixon's administration the program was expanded due to the success special operations had in Indonesia during the Suharto affair, and partially because the killing of Holt had been almost flawless.

Ralph McGehee, a senior CIA operations officer in the 1960s, states that he read an edited top secret briefing that describes operations in Australia thus: 'The Agency was extremely proud of its successful [one word blacked out] and recommended it as a model for future operations [half sentence blacked out].' He said Indonesia was also the model for Operation Phoenix in Vietnam, where US-directed death squads assassinated up to 50,000 people. Intelligence organizations all around the world have adopted these kinds of assassination programs, which still surface in the media occasionally, or as West put it, 'You only hear about these kinds of operations when they fail. The successful ones you will never know about.'

West, one of the soldiers who fired on Holt, was a highly trained, naturally skilled expendable asset who was 'just plain lucky'. Not only did he survive his immediate return to Vietnam after the assassination of Holt, he also survived several incidents known as 'fraggings' or attempts on his life by friendly forces whilst in Vietnam. The unit (MACV-SOG) that West was sent to had a notorious history of eliminating its own troops. From 1966-68, John Singlaub was head of the super-secret 'Studies and Observations Group'. In 1964 SOG took over from the CIA dropping off allied commandos in North Vietnam. The CIA had promised payments to families during the time allied, detached commandos were captives, but instead, families were told the commandos had been killed. Now some are free and in the US and seeking payment. Singlaub says: 'I don't think there is a legal or moral justification for saying we should accept responsibility for them [...] They are not Americans.' He goes on to state that it was more important to the survival of US troops to kill defectors than enemy soldiers because the defectors' knowledge of communications and tactics 'can be damaging'. But since when is an allied POW a 'defector', one is left to ponder?

An example of this kind of disassociation of expendable allied assets was shown in 'Operation Tailwind', which alleged use of sarin nerve gas in September 1970. Widely known as Agent Orange, the gas was used to clear tracks of heavy jungle so as to allow enemy troops to be more clearly targeted. American planes knowingly sprayed the nerve agent on Australian troops after tests in Australia had a limited test result. We shall discuss this later in the work.

Denis West alleges he witnessed many atrocities during his return to Vietnam and his detachment to



MACV-SOG. Upon his return from that last tour he deserted the military soon after landing back in Australia, knowing that his life depended on vanishing as quickly as he could into Australian society. He is presumed to still be in hiding.

As for Michael Hand, he may have played a direct role in the killing of Private Fisher, as the Commonwealth-New South Wales Joint Task Force on Drug Trafficking completed in 1983 notes: 'Mr Hand did extensive business with American intelligence officers in southeast Asia in the late 1960s and early 70s, and said there was "evidence" that "Hand retained his US intelligence ties through the 1970s and probably the 1980s." The evidence, however, remained classified.

It is a fact that Malcolm Fraser did not authorize a coronial enquiry into the drug trafficking allegations against the Nugan Hand Bank until Hand had supposedly left the country after the death of his business partner Frank Nugan, who was found in his car shot through the head. The second SASR sniper known as Denis West maintains that Hand never made it out of Australia, stating that he caught up to Hand just prior to his flight out of the country and that the last time he saw Mike Hand 'he wasn't looking very well at all'. He refused to elaborate on this, other than to state that he felt the need to exact some form of retribution on those who were responsible for the death of Fisher and for 'mucking up my life', to quote West. When pushed further on Fisher, West said that 'What they did to that bloke was a disgrace.' West then went on to warn the author that to bring the SASR into the story was asking for serious trouble, stating that 'the regiment had little or no operational knowledge of the Holt killing' and that 'it was only a small element in the command structure that knew what was going on.' West seemed genuinely proud of his regiment and was reluctant to mention that he was with the SASR because 'They are all bloody legends and I don't wanna bring any disgrace to a regiment that is otherwise an honourable bunch of blokes.'

When asked who he had received his orders from with regards to going to Portsea, West said that 'Serong and Beesley organized it', and again would not elaborate. Our own research has revealed who West was referring to, and we shall get to these men in later chapters.

During the hectic search for Holt and with Cheviot Beach swarming with reporters and members of the public, Alan Stewart, the principal witness to the Holt drama, was run off the road the day after Holt went missing. His car left the road after colliding with another vehicle that supposedly contained four reporters. Stewart sustained a broken arm, nose and ruptured bladder along with other serious head injuries. It was just a matter of luck that he survived the crash at all. Here we have another member of the team that was involved in Holt's assassination coming very close to losing his life in a supposed accident. Not surprisingly, after this event Stewart is extremely reluctant to discuss either the crash or his involvement in the Holt case, having been dramatically warned off speaking to anyone. It doesn't take a huge leap of the imagination to assume that Alan Stewart was to be liquidated along with the entire assassination cell.

Upon his returning to his native Yugoslavia, Nedeljko Gajic, the first assassin, vanished from the face of the earth, never to be heard from again. His fate remains uncertain due to the political climate of the day, however one can assume he was killed based on the fate of all operatives concerned in the Holt assassination.



## DEATH BOWL: GEOGRAPHIC KILLING GROUND

From a shooter's perspective, Cheviot Beach is a perfect location to fire upon an unsuspecting target. The area has a steep, sandy embankment leading down to a small beach. The clifftops at either end provide a high vantage point overlooking the entire bay. If one can imagine a large fruit bowl cut in half as a way to picture Cheviot's geography the notion becomes clearer. Dense saltbrush surrounding the area provides more than adequate cover for a sniper to track his target without fear of being detected, the steep drop off from the cliffs also ensure that any person at ground level would have a difficult time spotting a low-laying shooter above them.

In the event of being detected or if a shot missed its target and the shooter was revealed, having missed, the intended target would have a difficult time escaping up the steep, sandy embankment before a second, even clearer shot could be made. Being far away from a populated area, in the midst of a secure military base surrounded by bushland, the bay provides an isolated and almost perfect killing ground. Placing a shooter on each opposing cliff face would give them excellent targeting opportunities and with the use of a spotter on the ground, what is known as triangulation, meaning three reference points to the intended target.

Indeed if something did go wrong Holt's entire group could, in a worst case scenario, be cleanly shot and killed. And although this is an extremely brutal way of looking at what happened to Holt at Cheviot, from a military standpoint these are necessary observations. Cheviot Beach is an almost perfect killing ground. In terms of removing Holt's body, the ocean would have been a great assistance in this. The water out from the beach is very deep, dropping away from a rocky ledge. Divers could easily drag the intended victim out to sea. This area is historically a popular diving spot—Holt himself often dove for crayfish at Cheviot. The sea bottom, at the time, had significant kelp seaweed beds, granting cover for any extraction activities. There is little doubt that Cheviot has the ability to (sometimes unpredictably) throw up huge surf conditions, however this could be overcome with the use of experienced divers that are used to operating in extreme circumstances.

The use of trained shooters at Cheviot is certain. But what of the divers? We shall show that the divers used at Cheviot Beach on that day were perfect candidates for this extremely complex and difficult operation. The police report goes into great detail describing just how treacherous conditions became on the day Holt went missing. To contend with the possibility, and, as it turned out, actuality of extreme conditions, the dive crewmen chosen for the operation were probably the two most talented and knowledgeable men on offer to the navy at that time.

## HOLT WASHED ASHORE?

In January 1968 an Australian newspaper reported that a group of private investigators looking into the disappearance of Harold Holt made a trip to Cheviot Beach. The group accidentally stumbled upon a party of around fourteen military personnel working at the beach, digging up the area near the high-water line. The paper reported that this group was subsequently fired upon by the army. Upon hearing of this a reporter spoke to an officer in charge of the Portsea military training area near Cheviot Beach. The officer, Colonel Hollings, stated that there had been diggings in the area but only to remove stumps left over from the demolition of a pier. This was quite a ridiculous cover story as

Cheviot Beach does not and has never had a pier to be demolished in the first place. More likely, the military party may have been digging for the remains of Holt, which quite possibly had washed to shore and been buried in sand and seaweed following a period of heavy weather off the coast of Portsea. It is quite possible that an item of Holt's clothing, one report said a pair of sandshoes, had washed ashore and been reported to authorities, sparking the excavation of the area by the army. This would make sense if Holt's body had come loose from its tether to the sea floor. The body would have to be recovered to inspect it for evidence of the fatal shots that had killed him. In this case it would be standard operating procedure to place a security cordon around Cheviot Beach and warn off anyone coming near the area. The issue did eventually end up being briefly discussed in parliament in 1971, raised in a question and answer session by Senator James Luke Cavanagh of South Australia.

## DEATH OF HAROLD HOLT

### Question 857

Senator Cavanagh asked the minister representing Attorney-General Nigel Bowen, Senator Greenwood, upon notice:

1. Is it a fact that on the day following the termination of the official search for the body of the late Prime Minister Mr Holt, at Portsea Victoria, four shots were fired at a car carrying a consultant on navy underwater medicine and a companion who were visiting the area to make a private examination?
2. Was the shooting reported to and investigated by the police? If so what were the results of the investigations?

Senator Greenwood: The Attorney-General has supplied the following answer to the honorable senator's questions:

1. Not so far as I am able to ascertain.
2. see (1) above.

As the reader can see, the question was stonewalled by the Attorney-General's office (the same office that altered Stewart's original statement prior to the official police report being issued). Senator Cavanagh had made several inquiries into strange incidences leading up to and following Holt disappearing. In later chapters we shall discuss Mr Cavanagh's other enquiries.

## CHAPTER FOUR

### REMOVING THE EVIDENCE: THE DIVE TEAM

As soon as Harold Holt had been shot and killed by the snipers on the clifftops overlooking Cheviot Beach, his body was removed from the scene by two Australian naval clearance divers. They were already in the water, about 200 metres from the shore. The divers were scuba equipped and entered the water a few minutes before Holt arrived at the scene with his entourage.

Holt's body was acquired by the dive team moments after the fatal shots had killed him, then removed to deeper water where it was weighted down and dropped to a depth of 70 metres. One diver in the team has since died, however the second diver, now in his late fifties, has verified some elements of the account of what happened on that day.

To clarify just how difficult it is to produce hard evidence on CIA-sponsored assassinations one need only read the following, taken from a training handbook produced by the CIA on the subject, which states:

[itals]

Assassination is an extreme measure not normally used in clandestine operations. It should be assumed that it will never be ordered or authorized by any US Headquarters, though the latter may in rare instances agree to its execution by members of an associated foreign service. This reticence is partly due to the necessity for committing communications to paper. No assassination instructions should ever be written or recorded. Consequently, the decision to employ this technique must nearly always be reached in the field, at the area where the act will take place. Decision and instructions should be confined to an absolute minimum of persons. Ideally, only one person will be involved. No report may be made, but usually the act will be properly covered by normal news services, whose output is available to all concerned.

CIA Assassination Manual: Freedom of Information Act 1997, FILE No:32741

[end itals]

How can an assassination be proven if no paper trail exists? In reality the only way to prove such an action happened is to locate and interview witnesses and/or the people involved directly in the plot. From there it is a matter of tracking the movements of those involved, checking their backgrounds and accumulating as much evidence as is available.

No government official is going to write a memo stating that an assassination is to occur. This would be political suicide and the potential consequences would be explosive to say the least. In rare cases when actual military elements are used and those members come forward with information concerning their personal involvement, it may be possible to gain access to that member's service records, if they exist. One ploy used to cover the tracks of these military members is to list them as being on leave at the time of the assassination. In doing this a government creates a condition known as plausible deniability. In the case of Gary Simmons, one of two clearance divers that removed Holt's body from Cheviot Beach, he is listed on his service card as being on land leave on the date that Holt was killed. It must be noted that his mental state of mind is no longer clear and his account of events

do not precisely fit the account of factual events on that day.

#### GARY DAVID SIMMONS

Former Australian naval clearance diver Gary Simmons of Brisbane claims to have towed the body of Harold Holt out to a fishing boat and then anchored the body to the sea floor, the day the Prime Minister was reported missing on 17 December 1967. Mr Simmons served in the Royal Australian Navy between 9 July 1965 and 5 November 1971, most of which time he spent as a clearance diver. Mr Simmons recalls being on the deck of a fishing boat, then going over the side some distance off shore and swimming to an area just off the beach prior to Holt's killing. He claims that he retrieved Holt's body with another diver, and then towed the body back out to the fishing boat. The swim with the body was made possible by favourable tide and currents. Simmons said that he was an exceptional swimmer, probably the best among the navy's divers at that time, which would have been why he was chosen for the mission.

When he got back to the fishing boat with Holt's body it was weighted to counteract buoyancy, and taken down to a point on the sea floor where it was anchored to a weight. The body was attached by a tether that was supposed to come apart after a couple of days, so that Holt's body could float to the surface and be found. By that time sea life would have damaged the corpse of Holt sufficiently to hide the entry and exit wounds inflicted by the sniper bullets. 'That part of the plan failed, for some reason,' Simmons said. 'I think that I took him too deep. It's been my experience that bodies down 70 feet or more don't come back up.'

Simmons naval service records state that on 17 December 1967 he was posted to HMAS *Waterhen*, a shore establishment of the Royal Australian Navy, located in Waverton, Sydney. In the early 1960s it was earmarked as the future base for the RAN's minesweeping forces, housing six ex-Royal Navy Ton class minesweepers, including HMAS *Snipe* and a clearance diving team which would have been on the *Snipe* as it searched for Holt off the waters of Cheviot Beach. Subsequently on 18 December 1967 Simmons's naval service card states he was rostered as being on land leave. This does not mean he was not involved, rather it disassociates the Department of Defence from his involvement—plausible deniability

Gary Simmons was butchered on the operating table during a routine gland operation by the Australian Department of Defence, rendering his vocal capacity to almost zero. Simmons claims that he has submitted evidence on two previous occasions which was ignored. The evidence he submitted in affidavits, files BS9'66/03 and BS1127/04, stated that as part of his duties he was engaged in clandestine operations, one of which was the removal of the body of the then Prime Minister of Australia, Harold Holt, from his home to a fishing boat the night before it was reported he disappeared. He further claims that he was surgically operated on during his navy service without his knowledge and objects placed in his neck which left him unable to write, spell or converse with clarity for almost thirty years. To further enhance his evidence he has tendered a CT-scan which clearly shows the strange objects lodged in his throat. Simmons feels the implanted objects made him like a 'Manchurian candidate' complete with trigger words which left him with memory gaps, but in the past twelve months his mind has become clear and lucid and that he must use this time to bring out all that



he remembers. He has amassed a great deal of evidence and wishes to place it at the disposal of the authorities

Following his operation Simmons was subscribed a course of medication consisting of LSD-based psychotropic drugs that permanently affected his recollection of events. The navy became interested in LSD as a personality-affecting agent when American investigators learned of mind-control experiments carried out by the CIA. It was with the hope of finding the long-sought miracle drug that CIA investigators first began to dabble with LSD-25 in the early 1950s. At the time very little was known about the hallucinogen, even in scientific circles. Simmons's information, despite the effects of his operation and LSD course, does give credibility to the theory of an assassination of Holt in an intelligence service covert operation.

[possible breakout box]

CIA researchers had, according to their public statements, found no sure way to brainwash people. They could create 'vegetables', but these people could have no operational use. The CIA research spanned at least eighty institutions, including forty-four universities and colleges, fifteen private research facilities and companies, twelve hospitals or clinics and three penal institutions. The estimated cost of these projects was \$10 million of taxpayers' money. Various ways of administering LSD were tried upon witting and unwitting subjects. Intelligence operatives found that the medicated substance could be injected into any type of food, such as mashed potatoes, butter, salad dressing and candy, or be produced in pill form. A security memo dated 15 December 1954, noted that acid could produce serious insanity for periods of 8 to 18 hours, and possibly, with correct dosage, permanently affect an individual's perception of reality.

#### LT COMMANDER RONALD MERVYN TITCOMBE, MBE

Former Navy Lieutenant Commander Clearance Diving Officer Ronald Titcombe, the source of the long-standing submarine theory, was in fact the second navy diver who removed Holt's body from Cheviot Beach on the day he disappeared. Titcombe confessed to Tom Frame, an Anglican bishop of the Australian Defence Force (and Holt's biographer), that he had persuaded the British novelist Anthony Grey in 1983 that Holt had been a Chinese spy since the early 1930s, and how Holt feared detection by Australian intelligence officers and had sought political asylum in a Chinese midge submarine waiting off Portsea.

It is alleged that Titcombe was forced to provide the propaganda material to Grey, and in effect ruin his own reputation. Titcombe has been since called a rogue, a liar and a scam artist. If Titcombe, who was awarded an MBE, was indeed such a rogue, what does that say about the defence ministry's selection criteria for officer candidates in the navy? Clearly Titcombe feared for his life, and rightly so. Titcombe's main detractor is author Tom Frame, who served the RAN for thirteen years, as a junior entry cadet midshipman, sub-lieutenant, research officer to the chief of naval staff, instructor and staff officer, and moved to the ADF to take up a PhD in military history. In 1992, Frame resigned from the ADF to finish his training for the Anglican priesthood, was ordained in 1993, and has since been practising his faith as a bishop to the ADF. He has also written seventeen books.

Frame has attacked Titcombe's reputation since the latter's death in 2001, with little understanding of the potential outcome had Titcombe told the truth from the beginning. (Simmons he arbitrarily dismisses as a madman.) It is important to note that in 1961, the chief of the CIA's Covert Action Staff wrote that books were 'the most important weapon of strategic propaganda'. Thousands of books have been produced, subsidized or sponsored by the CIA and its conduits, such as the Asia Foundation, in support of US foreign and military policy. As Holt's supposedly self-appointed biographer we find it rather interesting that a naval man of many years, involved with the church, with an apparently perfect operational record should write Holt's biography coinciding with a coronial inquest into Holt's disappearance. Is it not possible that Mr Frame is a little too close to the military to be determined a reliable historian of unbiased factual events?

Recently uncovered documents prove that Titcombe was far from being a 'scam artist', as Frame puts it. In fact, Ronald Titcombe was employed by ASIO as a counter-espionage field agent. Documents also exist that indicate Titcombe's character was rather exemplary.

Ronald Mervyn Titcombe was born in Paddington, NSW, in 1930. He was commissioned into the Australian Naval Reserve on 19 June 1956. From this point his career moved steadily and he eventually qualified as a sub-lieutenant in the role of clearance diver and had many different postings around Australia, as well as active tours of duty overseas including stints in Malaysia and England. During this phase of his career he was awarded an MBE for his work as a clearance diving officer on the Snowy Mountains Hydro-Electric Scheme.

Titcombe was recommended for a special award by the British admiralty in April 1955 for his active involvement in the recovery of a downed helicopter, in waters exceeding 140 feet in depth. Titcombe came up with the idea to use naval clearance divers to recover the helicopter, as regular divers could not handle the depth and pressure of such a dive. It was the first time such a dangerous operation had taken place. Then in 1961, Titcombe was commended for bravery whilst removing obsolete, unexploded ordnance from tunnels underneath Garden Island naval base. In 1964 he was mentioned as being critical in establishing naval bases in Borneo during the Malayan conflict. In 1966, Titcombe was the first officer to head the newly-formed Mobile Clearance Diving Team. He also authored a book entitled *Handbook for the Professional Diver*, which was a major commercial diving book.

As the years progressed Titcombe, at age thirty-six, was determined to avoid mandatory retirement at forty-five in the navy, having not advanced in rank beyond Lieutenant Commander. A staunch anti-communist, he applied to join ASIO on 3 November 1965. His application included good references from the commanding officers of all the ships he had been stationed on. It is unnecessary herein to include all of the references Titcombe provided ASIO, however in order to help refute author Tom Frame's claim that Titcombe was a rogue and a scam artist we find it appropriate to cite at least a few of the commendations prior to ASIO accepting Titcombe into the agency. Captain R. Rhoades at HMAS *Watson* wrote of Titcombe in 1956, whilst in command of HMAS *Walrus*, that Titcombe was 'Efficient, fit and alert but needs to display greater tact when dealing with his superior officers. He has done a great job with the mobile clearance diving team.' Captain C. Stevens at HMAS *Watson* wrote in 1961 of Titcombe that 'he carried out his duties to my utmost satisfaction—an excellent officer.' During Titcombe's ASIO application process he was interviewed by a Dr E. Roffey as part of his

medical clearance for the position of senior section officer grade 1. The doctor reported that Titcombe had a strong character that would benefit him in the high position of responsibility he had sought and had no hesitation in strongly recommending him. So strong were Titcombe's references and experience that he was actively sought after by ASIO, who even attempted to fast-track his release from the navy so as to employ him as a field officer. In a series of heavily censored ASIO minute papers dated between 26 September 1966 and 21 July 1967, Titcombe's qualifications and suitability are discussed at length by no less than the Deputy Director General of the agency, Leo Carter. (The same Leo Carter who assisted Maurice Houghton's passage into the country by approving his visa applications in 1967-1975.)

ASIO

MINUTE PAPER

Subject: TITCOMBE, Ronald Mervyn

1. In company with [blacked out] and Mr [blacked out] I interviewed Lt Cdr TITCOMBE on 21st September 1966.
  2. Lt Cdr TITCOMBE impresses with his appearance and manner, he is apparently a man of strong character and ambitions.
  3. Questioned on his experience in the navy it is obvious from his answers that he can bring to ASIO a wide knowledge of sabotage methods for all fields of attack.
  4. I consider that Lt Cdr TITCOMBE would be a good ASIO officer. However I feel he will, if appointed, wish to transfer to other duties outside the specialist field in a relatively short time.
- Signature [blacked out]. (Note: This turns out to be Leo Carter.)

ASIO

MINUTE PAPER

21st July 1967

Subject: Deputy Director General (Operations)

1. At Canberra 13th July 1967, I saw L/Cdr TITCOMBE in the ACT office. I was impressed with him and consider he will prove an asset in the Protective security side of C branch.
2. TITCOMBE expects to report at headquarters for duty at the end of August, 1967. As he has two girls at school in Canberra his family will move to Melbourne in December. I am preparing a period of training and familiarization for TITCOMBE and am re-examining his proposed duties

Signed: D.V. O'Leary

Assistant Director General C

There are a plethora of minute papers that espouse Titcombe's virtues and recommend him in a position of espionage and counter-espionage, as well as making note of placing Titcombe in a position that maintained protection of key strategic points (none of which are mentioned). Clearly one with questionable character, with or without an MBE, would be unlikely to gain such high praise from both peers and his prospective employer, ASIO. The reason behind Frame's personal attack begins to

become clearer as the Titcombe story progresses towards and beyond the assassination of Holt, in which Titcombe was to be a principal player. Although official records of Titcombe's movements after September 1967 are still classified as top secret, the record does show that the navy refused to release him from active service in time to fulfill his duties with ASIO by the proposed start date at the end of August 1967. The most startling piece of proof concerning Titcombe's involvement in the plot to get rid of Holt actually comes from Titcombe's own naval service record. Jotted down by some low level naval clerk are a few lines pertaining to Titcombe's official postings. Titcombe's record clearly states that in December of 1967 he was listed as 'Relocated for special duty in Special Air Service Regt (SAS) act 1968/65 in respect of loan service work RMN'. In plain English this means that in late 1967 Titcombe was detached to an SASR team for special duty. On the reverse side of the same service card it states that Titcombe was on loan to the naval base *Lonsdale*, which just happens to be a few kilometres away from Cheviot Beach. So here we have a naval officer with top secret clearance, working with an SASR detachment based out of a naval base in Port Melbourne, only a few kilometres away from the exact place that Harold Holt was killed. It is a lot harder to find out who gave Titcombe his orders, however there is a mention in a naval memorandum which states that he was required to take part in a secret operation code named 'ABERRANT'. The following memo offers little in the way of hard information, however it is post-dated as 1968, after Holt is killed, and the term 'ABERRANT' is herein constantly associated with Ronald Titcombe.

40/9/1933

SECRET

29th May 1968

Department [blacked out]

Operation 'ABERRANT'

B2 (Mr) [name blacked out]

'ABERRANT' is a sample of a special project allocated to B2 (5). In November 1967 the RAN (Royal Australian Navy) asked ASIO to assist in this enquiry. Some aspects of it are still proceeding

[paragraph blacked out]

[name and signature blacked out] End of memorandum.

Fast forward to 31 May 1974 and there is an ASIO operation 'ABERRANT' file on Titcombe marked as SECRET, which investigates Titcombe's date with a lady by the name of Patricia Stewart on 18 November 1967, not far from Portsea, where Holt was to die exactly one month to the day later. Can it be a coincidence that Patricia Stewart was related to Alan Stewart, the principal witness to Holt's supposed drowning? Relevant aspects of the memorandum are reproduced in abridged form on the following pages. The memorandum makes it quite clear that operation 'ABERRANT' is in fact quite possibly an investigation into the Holt case and an investigation into Ronald Titcombe's part in the plot therein.



SECRET

AUSTRALIAN SECURITY INTELLIGENCE ORGANIZATION

17 July 1974

SUPERVISOR FIELD OPERATIONS

'OPERATION ABERRANT'

Sister Patricia STEWART

1. Reference is made to Headquarters memorandum No.3212 dated 31st May 1974 titled 'OPERATION ABERRANT' Sister Patricia STEWART in which it is requested that STEWART be identified.
  2. The above makes mention of Victorian office memorandum 4959 of 24th November 1967, which lists a Patricia STEWART, Jessie McPherson Community Hospital as having been Ronald Mervyn Titcombe's date on 18th November 1967 [report then specifies Patricia Stewart's residence and identity background details]
- Signed: M.F. Tuck  
Field Officer

It is a fairly typical intelligence ploy to utilize relatives of an intended target, usually in the form of bribes but just as often using blackmail, in order to elicit a desired action. In the case of Titcombe's date with Patricia Stewart it can be reasoned that he used Patricia to get at Alan Stewart, who was known to be in close contact with Harold Holt. As Titcombe was married with two daughters for a number of years it is not hard to put so many coincidences together and assume that he was on a mission for naval intelligence, of which his clearance is documented as being top secret. Little did he know that ASIO clearly had him under surveillance even before Holt was killed—the watcher watching the watchers, so to speak.

From this point it is hard to track documents that clearly follow Titcombe's movements. As we have stated these documents do exist but will always be classified under national security protection. There are documents from ASIO which follow Titcombe's movements in 1968, from which it can be understood that Titcombe was under surveillance from the authorities for quite some time. Titcombe even had private mail parcels that were sent to him inspected by officers from ASIO. One such parcel check, documented by ASIO, reveals a few startling pieces of the Holt puzzle, namely that he had collected naval charts and had an association with a gentleman by the name of Dean who lived in Sorrento, the same town in which Harold and Zara Holt owned a holiday home, and close to Cheviot Beach. Why did Titcombe wish to look over those charts with Dean? Was there an attempt to retrieve Holt's body from its deep mooring off the coast of Portsea? A transcript of the ASIO document follows.

SECRET

COMMONWEALTH OF AUSTRALIA

ASIO

Regional office PERTH WA

15th May 1968

S S O'B'

OPERATION 'ABERRANT'

RONALD TITCOMBE

1 Please refer to HQ L22 dated May 12 1968

2 [full line blacked out]

3 [full line blacked out]

4 A contact had been advised that a parcel had been left at the airport on Friday 10th May by Brambles of Freemantle and to be collected by Mr R.TITCOMBE, a passenger arriving on 11th or 12th of May 1968, flight unknown, TITCOMBE was paged at every flight but failed to appear at the counter.

5. Description of the parcel

Size: Cylindrical (36" long 2" diameter) heavily wrapped and had been opened, appeared to contain charts or similar (possibly connected to his employment)

Addressed to:

Glomar TASMAN

Divcon intel

c/o Brambles Freemantle

(To be called for by R TITCOMBE)

6. [full paragraph blacked out]

This person would appear to be identical with R .TITCOMBE

7. Travel agents advised no current overseas travel reservations had been made for TITCOMBE to date.

8. [fully blackened out]

9. Postal investigation is advised that telephone 471979 is registered in the name of DEAN N/R 44 Robin Street Sorrento previous address 1 Pier St East Freemantle. Further enquiries are proceeding to identify DEAN and his possible association with TITCOMBE.

Headquarters, ASIO

For information

G.M. Gilmore

Regional Director

Prior to these strange events in February of 1968, a mere two months after Holt disappeared, the Department of the Navy legal office had made an attempt to charge Titcombe with an espionage crime. The charge seems to have been blocked or quashed by a higher authority, however ASIO at some level had an interest in pursuing the actions taken by the Department of the Navy. Again this is documented. There is a person mentioned as a witness, but how this person relates to Titcombe or exactly what the charge was initiated for remains unclear.

ASIO

MINUTE PAPER

Subject: SECURITY INVESTIGATION Lt Cdr TITCOMBE

21st February 1968

1. I have read Mr [blacked out] report of 8th February, 1968 and the Navy report and appendices forwarded to ASIO by DNI (Department Naval Investigations) under cover of an undated memorandum
  2. As such the case now stands I think it unlikely that Titcombe could be prosecuted successfully for communicating official information contrary to section 79 (3) of the crimes act or failing to take reasonable care of official information contrary to 79 (4c) of that act.
  3. Such a prosecution would rely too heavily on Mrs Hooper's testimony, and I think at best she will prove a shaky witness, and she could easily turn out to be a hostile one, in which latter case the prosecution would clearly collapse.
  4. I do not think we should ask Department of the Navy to review its decision that no disciplinary action be taken against Titcombe.
- [name blacked out] Principal Legal Officer

Under the memo there is a handwritten footnote in the way of a reply that is partially illegible but states that it would be a waste of time to pursue legal action as Titcombe had left the service and that action was no longer necessary. The question remains who was Titcombe working for? The Department of Naval Intelligence or ASIO, or both?

#### PULLED BENEATH THE WAVES

As we have already asserted, Ronald Titcombe is beyond a shadow of a doubt the orchestrator of the infamous Chinese midget submarine story. He sold it to Anthony Grey for reasons until now never fully explained. Titcombe portrayed himself to Grey as a patriotic investigator attempting to unveil a communist plot against the people of Australia. But how many people have actually read Grey's book? *The Prime Minister Was a Spy* was, in terms of book sales, an absolute failure—in fact thousands of unsold copies were pulped in England and Australia. Nobody wanted to know or be associated with a story that was a clear fabrication. Grey at the time of publication did not reveal the source of the inside information that led to the book being written. It was Tom Frame who named Titcombe as the source.

With Titcombe's background properly established it is worth re-reading what he told Anthony Grey, specifically two pages from chapter twenty-two, pages 210 and 211, that deal with Holt entering the surf and what occurs next:

[Itals]

Holt, knowing exactly where he was making for by this time, walked diagonally across the mud-coloured Cheviot sand and, without hesitating, entered the boiling surf which had daunted the younger Stewart. Holt obviously swam directly towards his favourite pool beyond the surf and was almost there by the time his companions began to be concerned about him. Through the foam in the swirling waters of the rocky channel, the two frogmen were keeping watch. At last they saw Holt come

into view above their heads, a pair of white legs and two kicking feet wearing laceless sandals. The senior frogman probably gave a hand signal to his partner, then waiting until Holt was above him, he gently took hold of the Australian's ankles. From the time that Holt would have felt the unseen hands grasp him, the Chinese frogman counted off three seconds, said the informant. This was to give Holt the chance to take a deep breath. After he reached the count of three, the Chinese frogman pulled Holt sharply down beneath the surface.

He tried to guide Holt's head immediately into the artificial air bubble. Holt's head was then inside the 'cocoon', and one of the divers guided the mouthpiece and goggles to his face. The two frogmen then strapped the 'cocoon' to the 'propulseur' and, using the grid-line as their guide, allowed the little vehicle to drag them and Holt along the sea bed towards the submarine, reeling in the line as they went.

Outside on the beach, the casual movements of the four remaining Australians had become suddenly agitated. They began running and hurrying back and forth distractedly, convinced they had watched the Prime Minister drown—while out of their sight under water the frogmen gently guided Holt towards the conning tower of the long, grey submarine, lying silent on the sea bed. They helped him into the 'escape chamber' which made up the conning tower's upper section and, once he was inside, they signalled to him to dispense with the 'cocoon' and its mouthpiece and take over another mouthpiece inside the chamber with Holt, leaving his colleague outside to deal with the 'propulseur' and the 'cocoon' that had done their job so well. The upper hatch was then closed, a vent valve was opened and air rushed into the chamber from above, while the water drained away downwards. When the chamber was half empty of water, the goggles and mouthpiece were removed from Holt's face by the frogman escorting him and Holt was able to breathe naturally again. After all the water had drained away, the bottom hatch was opened and Holt was guided down a ladder to the inner compartment of the submarine. A mature-looking Chinese approached from among the young crew and said, according to the informant: 'I'm the captain and Chen Yi asked me to greet you on his behalf. Welcome to China, Mr Holt.'

[end italics]

This rather melodramatic description contains some interesting information that is worthy of further consideration, not from the perspective that Holt was sequestered into a waiting submarine off the coast of Cheviot Beach but rather the description of the diver grasping Holt's ankles and dragging him under the water. This would indeed be done if Holt had been shot on the surface and his body pulled below the waves. Knowing that Titcombe was the source of this information gives it a further feel of realism as he, as we have shown, was an expert diver. Also his description of what was occurring on the beach and the direction in which Holt had entered the water denote that Titcombe had indeed studied the official police report. Stored away in a vault in England are the papers of Anthony Grey, donated upon his death to the British National Archives. Sub-listed in these papers are the original manuscripts handed to Grey by Ronald Titcombe. The actual files are tagged as:

Series AG/RT Ronald Titcombe 1967-2000?



Contains 14 boxes [a supplementary deposit of July 2003] which contain personal and business papers of Ronald Titcombe. Included are papers relating to matters concerning Harold Holt, once Prime Minister of Australia, and AG's 1983 publication *The Prime Minister Was a Spy*. This series remains under embargo. See also AG/LIT/16.

It would be well worth examining these manuscripts in the future, however for now they will not be released for another eleven years, as at 2013. The Grey version of the submarine story is still often told anecdotally at hotels and clubs all around Australia and always receives a multitude of opinion upon its telling. Usually amongst the moderately well-informed public this story is countered with Frames account of Titcombe's lie. This is known as spin-doctoring and is a common tool used to cover up the truth with another lie or an angular mistruth. Titcombe conceived the submarine story for one of two reasons: either he was employed to do so as part of his naval intelligence duties, or he was made to come up with the story by those superiors of his involved intimately with the killing of Holt. Lose what remains of your reputation, Commander Titcombe MBE, or lose your life. What would you decide, one must ask?

#### OUR MAN IN AUSTRALIA: LEO CARTER OF ASIO

The career of ASIO officer Leo Carter began in relative obscurity; there is little mention of Carter in the public record prior to 1954. He is first mentioned in connection to the infamous Petrov affair, the dramatic Cold War spy incident in Australia in April 1954, involving the defection of Vladimir Petrov, third Secretary of the Soviet embassy in Canberra.

When Justice Geoffrey Reed established ASIO he recruited many of its members from the police force, and such was the case with Leo Carter, drawn from the NSW Police. One of Carter's jobs as an ASIO agent was to babysit the Russian defector Petrov. Despite his relatively junior diplomatic status, Petrov was a colonel in the KGB, the Soviet secret police, and his wife was an MVD (Ministry of Internal Affairs) officer. The Petrovs had been sent to the Canberra embassy in 1951 by the Soviet security chief, Lavrentiy Beria. After Joseph Stalin's death in March 1953, Beria had been arrested and shot by Stalin's successors, and Vladimir Petrov evidently feared that, if he returned to the Soviet Union, he would be killed. Petrov made contact with ASIO and offered to provide evidence of Soviet espionage in exchange for political asylum. The defection was arranged by Dr Michael Bialoguski, a French doctor and musician, and part-time ASIO agent, who had cultivated Petrov for nearly two years, befriending him and taking him to visit prostitutes in Sydney's Kings Cross area. Bialoguski introduced Petrov to a senior ASIO officer Ron Richards, who offered Petrov asylum plus £5,000 in exchange for all the documents he could bring with him from the embassy. Petrov defected on 3 April, 1954.

The Petrovs, having been given political asylum, were eventually settled in suburban Melbourne under the names Sven and Maria Allyson, and given a pension. Prior to this, they spent an 18-month period in a safe house in Palm Beach, Sydney, with the ASIO officer Michael Thwaites and Leo Carter, who at the time was an ASIO field agent. Carter and Thwaites even had their pictures taken many times relaxing with Petrov outside his safe house in Palm Beach.

By 1967 Leo Carter had climbed to the position of NSW Deputy Director of ASIO. He was instrumental in recommending Ronald Titcombe's employment with ASIO, having personally met with the naval officer on a number of occasions. There are many official memorandums concerning Carter's interest in having Titcombe join the intelligence organization. After the Holt killing it was Carter who seemed obsessed with keeping tabs on Titcombe's movements, including investigating all of his personal contacts. This investigation was at its height just prior to August 1967 when Titcombe was sent to HMAS *Lonsdale* in Port Melbourne on a secret assignment being detached to elements within the SASR. It was at this time that Titcombe had informed ASIO and Leo Carter that he would not be able to fulfill his employment within the organization, stating in a letter to Carter that the navy would not release him from active duty. Most of the ASIO memorandums from this period are heavily censored, but it is evident that there was an operation taking place in the vicinity of HMAS *Lonsdale* in Port Melbourne, between the period of August to December of 1967, involving the navy and the SASR.

It was in the role of Deputy Director that Carter is mentioned as having made contact with Maurice Bernard Houghton in 1967, during Houghton's first visit to Australia. It is a matter of public record that Houghton had used Carter as a reference when entering Australia without a visa throughout the 1970s and into the early 80s. This became a matter of parliamentary debate during the Nugan Hand Bank affair, at which point Carter had died. As one senator under Bill Hayden, leader of the opposition, noted, when discussions on the Nugan Hand affair was under parliamentary debate:

In fact, there is sufficient evidence in all of the articles in the *National Times* to prove the point to my satisfaction and certainly to the satisfaction of my party that there are people involved in the Nugan Hand organization who were active members of the American Central Intelligence Agency. Just what did the *National Times* say in another article this year? The *National Times* states: 'On February 12, 1972, Maurice Bernard Houghton stepped off Qantas Flight 575 at Sydney airport and was stopped by immigration officials. Houghton, a US citizen, had no re-entry visa. It had expired three months before. But there was no problem. Houghton had two Australians he could call on for assistance. The immigration officer scribbled on his report: "Vouched for by Mr Charody of Parkes Development" We know that Parkes Development Pty Ltd and Sir Paul Strasser and other supporters of the Liberal Party have been very much involved in profit making in land development; obviously Charody was a sufficiently important person to be able to vouch for a person like Mr Houghton when he got off the plane—and Mr Leo Carter, ASIO. Carter was the NSW head of ASIO. Houghton's passport was stamped 'A'—he could stay in Australia as long as he wanted. What sort of preferential treatment is given to a person like this gentleman, who it was freely admitted in discussions that Brian Toohy had in the United States, is a top operator of the Central Intelligence Agency?'

History states that a connection between Leo Carter and Maurice Houghton is provable fact. Can it be mere coincidence that Houghton first arrives in Australia in September 1967 and makes contact with Carter, who in turn had ties with Ronald Titcombe, who in turn is shown to be on active naval duty with elements of the SASR in Melbourne at the time of Holt's so called disappearance? And whilst

Tom Frame indicates his 'aberrance' of a fellow navy career officer in the form of the scallywag Titcombe, he also, it must be said, treats Holt as a tragic hero lost to the world, the Cheviot Beach surf conditions causing his untimely demise.

Frame tends to paint a picture of Holt that is just a bit too sterile, or as Frame himself concedes, he wants to show Harold Holt's decent side. It must be remembered that as Prime Minister, Holt visited Washington and during discussions of events in Indonesia made a joke out of the deaths of some 80,000 Balinese people during that country's political uprising. To quote Holt: 'With 500,000 to a million communist sympathizers knocked off,' he said approvingly, 'I think it's safe to assume a reorientation has taken place.' Ironically it was this American-backed slaughter and the need to fund black-ops in Indonesia that contributed to the ultimate death of Holt himself, as the reader will soon discover.

### KILL 'EM ALL

Doctor Guy Pauker was Asia expert for the Rand Corporation, a research firm under contract to the US Defense Department and the CIA. Pauker was also a bank consultant for Nugan Hand. Pauker's work on Indonesia played a vital role in the United States' attitude towards communist influences in Indonesia in the early 1960s. He wrote an essay entitled 'Soviet challenge in Indonesia' in July 1962, which led to the CIA helping to overthrow the Indonesian government. Pauker wrote:

The course of Indonesian policy today must cause doubt and deep concern regarding the future of the world's fifth-largest nation. Since Premier Khrushchev's ten-day visit in February 1960, Indonesia has become a major target of Soviet aid and influence, and only massive Western efforts can now prevent its gradual incorporation into the Communist bloc. All the instrumentalities available to the Kremlin—overt and covert, domestic and international—are concentrated on the elimination of Western influences from Indonesia, its isolation from the new nations of Asia and Africa, erosion of the will of domestic anti-communist political forces to resist capture of the government by the Communist Party, and eventual alignment with the Soviet Union. What the West faces in Indonesia is not simply harassment from a group of conspirators, in usual cold-war fashion, but an all-out challenge from a great power. Indonesia has become a testing ground for the new techniques of power politics, with the local Communist Party only one of various instruments used by the Soviet state to supplant Western influence.

And so began a genocide. The Australian Government, along with other Western governments, watched the genocide unfold. We now know, from leaked documents, that the Defence Signals Directorate spy base in northern Australia knew everything the Indonesians were doing to their own people. This was confirmed by the CIA desk officer in Jakarta at the time, Philip Liechty, after he had retired. He said: 'I saw all the hard intelligence. There were people herded into school buildings by Indonesian troops and the buildings set on fire. There were people herded into fields and machine gunned. The place was a free-fire zone, and Suharto was given a green light by the United States to do what he did.' In fact President Johnson's administration funded it: 'We sent the Indonesian

generals everything that you need to fight a major war against somebody who doesn't have any guns they got it direct, straight to East Timor. Without US military support, the Indonesians might not have been able to pull it off. None of this got out in the media. No one cared, you see. It's something I will be forever ashamed of.' Ralph McGehee, a senior CIA operations officer in the 1960s, described the terror in Indonesia from 1965-66 as a 'model operation' for the American-run coup that got rid of Salvador Allende in Chile seven years later.

American-backed operations that involved Indonesia in the 1960s can be seen to have ultimately led to the Bali bombings years later in which many Australians were killed and injured. The Bali bombings, on 12 October 2002, were amongst the most horrific acts of terrorism that have come close to Australian shores. A total of 202 people, including eighty-eight Australians, were killed in the tragedy, which took place in the town of Kuta on the Indonesian island of Bali. A further 209 people were injured. A number of Indonesians were sentenced to death for their parts in the bombings and in October 2002 Abu Bakar Bashir, a leader of the Jemaah Islamiyah organization often accused of being behind the attacks, was charged over his alleged role in the bombing. In March 2005, Bashir was found guilty of conspiracy over the attacks.

The attack is sometimes called 'Australia's September 11' because of the large number of Australians killed in the attack. Islamic extremism in Indonesia and its related hatred of any Australian presence in the country can be traced directly back to events that were unfolding during Holt's term in office.

Australia played and continues to play a role in the training of Indonesian troops on Australian soil. For years, the Australian SASR had trained units of Kopassus-Indonesian special forces, whose record of torture and murder in East Timor is documented-at its base near Perth. Australian officers taught a course known as 'hostile interrogation'. It was the forerunner of Kopassus that murdered Australian television newsmen Greg Shackleton and his four colleagues at Balibo, and went on to spearhead the invasion of Timor.

The origins of these events can be traced back to a series of events tabled in documents, now available from the national archives, in which an Australian Senator by the name of Bill Wentworth had conversations with the very same CIA operative Guy Pauker. Wentworth was also involved in supporting the anti-communistic terrorist group the Croatian Revolutionary Brotherhood in 1963. Wentworth's brief bio is well worth looking at before we get to the actual letters that led to the training of Indonesian special forces on Australian soil.

William Charles Wentworth was born in Sydney, the son of a prominent Sydney barrister of the same name, and the great-grandson of William Wentworth, a leading political and literary figure in colonial New South Wales. His family and friends called him Bill or Billy. From 1941-43 Wentworth served in the Australian army in administrative positions. In 1945 he joined Robert Menzies's new Liberal Party. By the late 1940s Wentworth had become a fierce anti-communist, to an extent that even some in his own party regarded an excessive: he was frequently accused of McCarthyism in making allegations under parliamentary privilege, usually unsubstantiated, of communist influence in various quarters of Australian public life. The communists, he said, wanted to 'ride into power on the back of the Australian Labor Party'. As John Gorton's biographer writes: 'For all his [Wentworth's] erratic and sometimes bizarre behaviour, his flaws were at least those of an inventive mind'.



Although Menzies was happy to benefit politically from Wentworth's anti-communistic attitude, he refused him promotion to the ministry, mainly because he was a party-room rebel on other matters. When Wentworth's friend Gorton succeeded Holt, he made Wentworth Minister in Charge of Aboriginal Affairs, the first minister to hold this office.

In March 1975 it was Wentworth who moved the motion in the Liberal Party room to remove Billy Snedden from the leadership in favour of Malcolm Fraser. But under Fraser's government, Wentworth soon found himself back in his old role of the backbench rebel, which led him to criticize Fraser's cuts to government spending as deflationary. Having already announced his intention of retiring from parliament at the next election, he resigned from the Liberal Party in October 1977.

In his role as minister Wentworth constantly exceeded his portfolio obligations, stepping into areas of national security. The national archive has, it seems, mixed up Wentworth with his ancestor of the same name who worked in government in colonial times. Papers written by Bill Wentworth are filed under the date of 1800 when in fact they relate to Wentworth's activities from 1953 to the 1970s, a rather fortunate mistake by the archives curators. These papers detail Bill Wentworth's almost fanatical concern with communist activity on Australian soil and record many letters sent through the Attorney-General's department straight to Brigadier Charles Spry of ASIO. These letters include Wentworth attempting to obtain intelligence data on Australian private citizens' activities, as well as grooming possible plants into suspected communist organizations, most of which had no grounding in reality, the allegations being completely unfounded. From this mis-labelled file, the following letters to the then Prime Ministers John Gorton and Malcolm Fraser were uncovered. They document the planning stages in training Indonesian forces in Australia prior to Indonesia's annexation of Timor.

#### THE WENTWORTH LETTERS TO MALCOLM FRASER

25th March 1970

Dear Malcolm

Enclosed is a copy of a letter I wrote on 13th February to the Prime Minister.

He has now told me he would be quite happy for me to take the matter up with you. Guy Pauker is very knowledgeable and well informed so I would think his suggestion is well worth looking at.

Yours sincerely

WC Wentworth

#### TO JOHN GORTON

13th Feb 1970

My Dear Prime Minister

Last week I had a long talk with Guy Pauker of the Rand Corporation in Los Angeles. He is their main policy man on Indonesian affairs and as you probably know is highly thought of in Washington.

Pauker made one suggestion to me which seems to me to be very much worth following. He tells me

that the Indonesian army is engaging in considerable activities for civilian construction. The US has allocated \$6m for the purchase of equipment for those purposes but there is still a desperate shortage. If we get close to the army and send them such things as bulldozers, front end loaders etc, it would be very well received.

I know you will appreciate how important it is to assist the anti-communist forces in Indonesia and the vital part the army plays among these forces. Anything which helps the army to help the peasants increases their standing and therefore increases Australia's security.

This seems to be a most constructive suggestion from an expert. Would you like me to take it up with the minister for external affairs or the minister for defence?

Yours sincerely

(Sgd) W.C. Wentworth

confirming verbal conversation

FROM MALCOLM FRASER

CONFIDENTIAL

Parliament House Canberra

25th May 1970

Dear Bill

I refer again to your note of 26th March containing your suggestion that Australia might consider supply of construction equipment to the Indonesian Army.

There is considerable merit to your suggestion and I think it's only a matter of timing which could present some difficulty. My officers have advised me that your suggestion was raised by the Prime Minister's department last February with external affairs which sought the views of the Australian Ambassador in Djakarta.

The Ambassador, while not opposed to the suggestion, saw some difficulties given the present situation in Indonesia.

The United States is providing defence assistance to five engineer battalions but is apparently having considerable trouble with the programme and there are still problems of wastage of equipment.

Australia could help with the civic section work of the army by providing training for Indonesians in Australia or by assisting with technicians in military workshops related to civic action and in programming and oversight.

Aid in this area is sensitive and we would need to avoid proposing aid that might upset the planned framework drawn up by the Indonesian government in light of their economic requirements.

External affairs has advised my department that the aid proposal for Indonesia 1970/71 does not provide for equipment to assist civic action programmes by the army. It has developed an aid programme estimated at \$17m for the year on the basis of priorities elected by the Indonesian government and these are in the final stages of clarification by the Ambassador with the Indonesian

authorities in Djakarta. It may be that some equipment assistance on the lines that you suggest could be included in the economic aid programme during the next two years depending on requests by the Indonesian government whose own assessment of requirements is a major determination of projects included in the programme.

I am hopeful, however, that we may be able to assist in training Indonesians in the civic action field as referred to by the Ambassador. Among the proposals included in the programme for defence co-operation with Indonesia which I endorsed earlier in the year is a suggestion for a visit of a small Australian army study group to determine those areas in the Indonesian army where future aid could be applied. We have no date for this visit as yet, pending advice from the Australian Ambassador, but when detailed arrangements are made the study could include training for Indonesians in Australia and assistance with equipment and technicians in military workshops in support of civic action work. Beyond that we shall continue to assess any worthwhile opportunity for developing co-operation with the limitations referred to above.

Yours sincerely

Malcolm Fraser

#### 1967: THE PLAN TO GET RID OF HOLT

In order to establish a steady stream of vast sums of untraceable monies to be poured into political payoffs and arms distribution, with the ideological goal squarely aimed at the destruction of the spread of communism throughout Asia, the CIA needed to maintain money laundering activities through turning opium into cash flow, and cash flow into weapons and bribes. Australia's geographical position in Asia and its completely Western, predominantly Anglo-Saxon society made it the perfect platform for an operation that had direct effects in Indonesia, and to some extent Vietnam, where the cycle of drugs for money had begun. Transportation of heroin and marijuana from Vietnam and Laos to Australia was far less of a logistical challenge than shipping the products to other Western countries, due to Australia's close proximity.

With a large percentage of already heroin-addicted troops on leave from the Vietnam conflict there was a clear plan to supply these troops with drugs coming out of southeast Asia. This essentially redirected a percentage of military pay packets straight back into agency coffers. As an added bonus these shipments of heroin into Sydney were among the very first to reach Australian shores in large quantities, establishing a virgin market. Noam Chomsky, Institute Professor and Professor (Emeritus) of linguistics at the Massachusetts Institute of Technology states:

The centre of the drug trade shifted to Indochina, particularly Laos and Thailand. The shift was again a by-product of a CIA operation—the 'secret war' fought in those countries during the Vietnam War by a CIA mercenary army. They also wanted a payoff for their contributions. Later, as the CIA shifted its activities to Pakistan and Afghanistan, the drug racket boomed there. The clandestine war against Nicaragua also provided a shot in the arm to drug traffickers in the region, as illegal CIA arms flights to the US mercenary forces offered an easy way to ship drugs back to the US, sometimes through US Air Force bases, traffickers report. The close correlation between the drug racket and international

terrorism (sometimes called 'counterinsurgency', 'low intensity conflict' or some other euphemism) is not surprising. Clandestine operations need plenty of money, which should be undetectable. And they need criminal operatives as well. The rest follows.'

From the onset of this type of strategy several important changes had to occur within the Australian political and economic systems. Firstly a transportation network needed to be established that allowed for the movement of extremely large amounts of weapons and drugs to pass through the country. These shipments would find their way to certain final destinations as the individual mission needs required. Secondly, Australia's tough monetary laws needed to be changed in order for foreign banking concerns to be established within Australian borders, allowing drug monies to be laundered into payoffs and arms purchasing. Under the Holt administration this was not possible. Thirdly, CIA-friendly criminal cartel connections, useful in laundering monies and distributing drugs, needed to be established along with a buyable government that would turn a blind eye to these actions.

A major problem for the CIA at this time was the fact that Harold Holt had in his possession papers garnered from the then Vietnamese premier Nguyen Cao Ky documenting the CIA's drug exportation program out of Laos. The documents name major CIA assets in the scheme. These documents needed to be recovered prior to the Australian plan taking effect. The CIA already had political assets in play within the Australian political arena, used to help bolster Australia's troop commitment in the war in Vietnam. These political assets would also allow a change in the banking legislation provided their own personal political and financial needs were met. Harold Holt did not fit within this particular scenario and in fact the above-mentioned elements required his removal before fully committing to the CIA's demands.

Simply discrediting Holt would have little or no effect and any leadership challenge would not have the numbers to oust Holt. He was by and large a very popular prime minister in the eyes of most Australians, particularly coming out of the stringent Menzies years of administration into the much more liberal years of the 1960s. Holt's public image was far superior to that of his peers McEwen, Gorton and McMahon. In 2005 former Prime Minister Malcolm Fraser made public comments on Southern Cross radio discussing allegations that Holt had committed suicide. 'I know for a fact that he was ... certainly before this incident had a discussion with me about attending future Cabinet meetings and trying a Cabinet reshuffle and wanting me to be part of a review of Australia's policies as they affected east, Southeast Asia and wider world relations with the United States. Now, if somebody is planning to jump off a cliff, they are not at the same time planning to have a major Cabinet review of the direction that Australia's taking.' Fraser said Holt had phoned him to talk about the review and Australia's future direction. 'He was very much looking to the future,' he said. There had been leadership speculation involving one or two senior ministers, but not half the Cabinet as one of the allegations suggested. 'If anyone had challenged Harold in a leadership contest he would have won it in a canter.'

Publicly the only politician who surpassed Holt was Gough Whitlam, the then leader of the opposition, and a politician whose left-wing views were the subject of no admiration within the CIA. Whitlam's battles with ASIO and the CIA are well documented, and when Whitlam was made Prime Minister



these ongoing struggles certainly led to his government's dismissal. In 1974, as Prime Minister, Whitlam appointed Justice Robert Hope of the New South Wales Supreme Court to conduct an inquiry in order to head off demands throughout the Labor movement for the abolition of the notonously right-wing ASIO. Together with the state police special branches, ASIO had become infamous for its surveillance, infiltration and dirty tricks operations against a wide range of people, including workers, students, socialists, anti-Vietnam War protesters and other political activists. Whitlam also asked Hope to cover other increasingly controversial agencies—the Australian Secret Intelligence Service (ASIS), which specializes in overseas espionage and covert operations, the Joint Intelligence Organisation (JIO), the military's intelligence headquarters, and the Defence Signals Division (DSD), which intercepts and monitors telephone calls and telecommunications throughout the Asia-Pacific region. Media leaks had indicated that these agencies, in addition to collaborating with their US and British counterparts in aiding repressive military regimes, such as Suharto's in Indonesia and Pinochet's in Chile, were actively spying on Australians as well.

By the time Hope completed his work, the Whitlam government had been dismissed by the Governor-General in the 'Canberra Coup' of 1975, so Hope handed his reports to the Fraser government. Only five volumes were made available to the public in 1976 and 1977. This paper contains many interesting names (such as Michael Hand of Nugan Hand Bank infamy), details of Swiss bank accounts held by John Kerr and mafia figures implicated in events of 1974-75, attempts by the CIA to place subliminal broadcasts on television screens in Australia at this time, and the covert heroin operations in the Golden Triangle from the 1960s run by the CIA.

When the question arises 'Why was Holt killed?', the answer is just as simple as it is ancient: money and political power. The first stage in the plan to unsettle Holt began in parliament with the second *Voyager* disaster inquiry. On 10 February 1964, during naval night exercises off the south coast of Australia, the destroyer HMAS *Voyager* was lost after colliding with the aircraft carrier HMAS *Melbourne*. Eighty-two men were killed. In May, increasing pressure in the media and within the Liberal Party forced Holt to announce a parliamentary debate on the question of a second inquiry into the incident to be held on 16 May. The debate included the maiden speech by NSW Liberal MP Edward St John QC, who used the opportunity to criticize the government's attitude to new evidence about the disaster. Defying parliamentary convention, an enraged Holt made a serious blunder by interrupting St John's speech and this gaffe seriously undermined his support in the Liberal Party and further embarrassed the government. A few days later, Holt announced an unprecedented second Royal Commission into the disaster.

Documents now held by the national archives, and retrieved forty years ago from Harold Holt's briefcase, found in his car at Cheviot Beach, are said to support the claim that the Prime Minister was facing a political crisis. The *Voyager* controversy was soon followed by the VIP planes scandal which came to a head when John Gorton, the government leader in the Senate, tabled documents which showed that Holt had unintentionally misled parliament in his earlier answers on the matter. Support for his leadership was further eroded by his refusal to sack the Minister for Air, Peter Howson, in order to defuse the scandal, fueling criticism within the party that Holt was weak and lacked Menzies's ruthlessness.

In November the government suffered a serious setback in the Senate elections, winning just 43.3 per cent of the vote against Labor's 47 per cent; the Liberals also lost the seats of Corio and Dawson to Labor. Within the party the reversal was in part blamed on Holt's mishandling of the VIP planes scandal. With political instability putting pressure on Holt it was just a matter of letting the Prime Minister fall into his own personal habit of blowing off steam at either of his holiday retreats at Bingil Bay in Queensland or Portsea in Victoria.

Holt's public image as a sportsman lent itself to plenty of photo opportunities and the media helped push into the public consciousness that he was a skin diving expert who loved the beach lifestyle. With this in mind, a plan was formed to send a small but highly efficient team of covert operations agents into Australia to make arrangements to have Holt eliminated, utilizing elements within his own government, and to establish the groundwork needed to install a banking operation that would fulfill all of the CIA's prerequisites prior to moving shipments of arms and drug monies through the network. The plan also required that the assassination cell be nullified after the act, meaning they were to be killed. All of this was to be accomplished in the field, without leaving a paper trail—no small task.

On 19 April 1967, Maurice Bernard Houghton is flown into Australia with a team sent by North American Aviation. The team entered Australia with the official task of completing a feasibility study to build a nuclear power station and a desalinization plant in Western Australia. Holt was well aware of the study team as it was organized with the help of his association with Allen Chase of Chase Manhattan banking fame. (Incidentally, Chase had developed a friendship with the Holts fostered over many years. He had intimate knowledge of all of Holt's holiday residences and had visited both Bingil Bay and Portsea on many occasions, giving him unique insight into Holt's personal habits and acquaintances—one of whom, Alan Stewart, is later contacted by Michael Hand and utilized in getting Holt to a desired location at a specified time by blackmailing his sister Patricia.)

Houghton makes his way to Sydney after meeting with Leo Carter, then director of ASIO. Houghton's discussions with Carter have never been disclosed, however Carter was known to be in close contact with the Minister of the Army, Malcolm Fraser, as well as the Deputy Crown Solicitor's office. Once in Sydney Houghton makes contact with Peter Abeles. The two are known to have had coffee the day Houghton arrives in Sydney. After the conversation and possible meetings that followed, in which the entire plan is outlined, including Abeles's future role in transportation of CIA drug shipments involving his own transportation network infrastructure, Houghton makes arrangements for the arrival into Australia of Michael John Hand, the ex-Green Beret and CIA contract operative. He also plays a role in the negotiations to have the would-be assassin Nedeljko Gajic sent back to Yugoslavia through the Department of Immigration via the Deputy Crown Solicitor's office. Hand is then employed by Peter Abeles. During the following months Houghton begins establishing nightclub businesses in Sydney's Kings cross in order to receive American troops on leave from Vietnam. In the interim Hand is employed as a property developer, allowing him to freely travel around Australia without suspicion. Hand makes contact with Alan Stewart, who has gained a certain level of access to Holt via Marjorie Gillespie, a friendship that Stewart deliberately fostered over a period of time during his Portsea visits. Stewart also develops his relationship with Holt through his interest in snorkelling at Cheviot Beach, within the military area at Portsea training facility, close to Holt's holiday home.

## MISSION EXECUTION PLAN

In December of 1967 Colonel Reginald Patrick Beesley, commanding officer of 3rd Squadron Special Air Service Regiment in Vietnam was, under orders, to dispatch two soldiers on a flight heading back to Australia on a need-to-know basis. The men were to be flown to Tullamarine airport in Victoria and then transported to the naval base *Lonsdale* in Port Melbourne, around four nautical miles from Cheviot Beach, there to liaise with Lt Cdr Titcombe for briefings with himself and his dive crewman. Following a few days of mission briefs and training exercises the men were to be transported to the Portsea officer cadet training facility, where only a skeleton staff of around a twenty eight personnel would be present due to the Christmas military period stand-down.

The men were to be deployed along opposing clifftops in dense saltbrush above Cheviot Beach. During this phase a private fishing boat was to be dispatched off the coast of Port Phillip Bay, some distance offshore from Cheviot Beach. The boat was to contain special forces naval clearance divers Alan Stewart was to lure Holt to Cheviot Beach at a specified time after Alec Rose sailed into Port Phillip Bay on 17 December 1967, between the hours of 10.30 am and 12.00 midday, depending on Rose's estimated time of arrival.

Stewart was to then recover documents held within Holt's briefcase and known to be in his car on his arrival at Portsea. Stewart was after the event to alert local authorities of the disappearance of the Prime Minister and to feign assistance in the ensuing search operations. The soldiers positioned above the cliffs at Cheviot Beach were to be ordered to join the search for Holt after Stewart reported the incident to the local military authorities. They were to blend in with military members arriving at the scene, then later to be extracted from the area when sufficient crowds had gathered.

At this time Ansett helicopters would be dispatched to search for the missing Prime Minister. Any reports of activity in the waters around Cheviot Beach from the hours of 1.00 pm until the end of the day were to be discounted as unreliable. After the successful completion of the mission Stewart was to be eliminated in a road accident. The two soldiers were to be sent back to Vietnam and placed in the line of fire or eliminated by friendly forces. The two naval clearance divers were to be dealt with accordingly, depending on opportunity. No records were to be kept of any of the preceding events.

## PROOF OF PREVIOUS CIA ASSASSINATION ACTIVITIES

Documents, including an instructional guide on assassination found among the training files of the CIA's covert 'Operation PBSUCCESS', were among several hundred records released by the Agency on 23 May 1997 on its involvement in the infamous 1954 coup in Guatemala. After years of answering Freedom of Information Act requests with its standard 'we can neither confirm nor deny that such records exist', the CIA finally declassified some 1,400 pages of over 100,000 estimated to be in its secret archives on the Guatemalan destabilization program. The small, albeit dramatic, release came more than five years after then CIA director Robert Gates declared that the CIA would 'open' its shadowy past to post-cold war public scrutiny, and only days after a member of the CIA's own historical review panel was quoted in the *New York Times* as calling the CIA's commitment to openness 'a brilliant public relations snow job'.

Jacobo Arbenz Guzman was elected President of Guatemala in 1950 to continue a process of socio-economic reforms that the CIA disdainfully refers to in its memoranda as 'an intensely nationalistic program of progress coloured by the touchy, anti-foreign inferiority complex of the "Banana Republic"'. The first CIA effort to overthrow the Guatemalan President, a CIA collaboration with Nicaraguan dictator Anastasio Somoza to support a disgruntled general named Carlos Castillo Armas and code named Operation PBFORTUNE, was authorized by President Truman in 1952. As early as February of that year, CIA Headquarters began generating memos with subject titles such as 'Guatemalan Communist Personnel to be disposed of during Military Operations', outlining categories of persons to be neutralized 'through Executive Action'—murder—or through imprisonment and exile. The 'A' list of those to be assassinated contained fifty-eight names, all of which the CIA has excised from the declassified documents.

PBSUCCESS, authorized by President Eisenhower in August 1953, carried a \$2.7 million budget for 'psychological warfare and political action' and 'subversion', among the other components of a small paramilitary war. But, according to the CIA's own internal study of the agency's so-called 'K program', up until the day Arbenz resigned on 27 June 1954, 'the option of assassination was still being considered'. While the power of the CIA's psychological-war, code named 'Operation Sherwood', against Arbenz rendered that option unnecessary, the last stage of PBSUCCESS called for 'roll-up of communists and collaborators'. Although Arbenz and his top aides were able to flee the country, after the CIA installed Castillo Armas in power, hundreds of Guatemalans were rounded up and killed. Between 1954 and 1990, human rights groups estimate the repressive operatives of successive military regimes murdered more than 100,000 civilians.

CIA records on assassination planning in Guatemala were first gathered pursuant to a Freedom of Information Act lawsuit filed in 1979. All of them were withheld on national security grounds at that time. In 1995, the CIA's historical staff 'rediscovered' these records during a search of Guatemala materials to be declassified as part of the Agency's 'Openness' program. A staff historian, Gerald Haines, was assigned to write this brief history of these operations. He concluded that as early as January 1952, CIA headquarters began compiling lists of individuals in Arbenz's government 'to eliminate immediately in event of a successful anti-communist coup'. Planning for assassination included budgeting, training programs, creation of hit teams, drafting of target lists of persons, and transfer of armaments. Haines writes that 'until the day that Arbenz resigned in June 1954 the option of assassination was still being considered.'

The CIA, according to this history, did not implement its assassination strategy. But the de-classifiers of this study, and other related documents, have deleted the names of the targeted individuals, making it impossible to verify that none of them were killed during or in the aftermath of the coup. Among the documents found in the training files of Operation PBSUCCESS and declassified by the Agency is a 'Study of Assassination'. A how-to guidebook in the art of political killing, the 19-page manual offers detailed descriptions of the procedures, instruments and implementation of assassination. 'The simplest local tools are often much the most efficient means of assassination,' counsels the study. 'A hammer, axe, wrench, screwdriver, fire poker, kitchen knife, lamp stand, or anything hard, heavy and handy will suffice.' For an assassin using 'edge weapons', the manual notes



in cold clinical terms, 'puncture wounds of the body cavity may not be reliable unless the heart is reached. Absolute reliability is obtained by severing the spinal cord in the cervical region'. The manual also notes that to provide plausible denial, 'no assassination instructions should ever be written or recorded'. Murder, the drafters state, 'is not morally justifiable', and 'persons who are morally squeamish should not attempt it'.

One of the many assassination lists compiled by the CIA during planning for Operation Success. As the memorandum indicates, the chief of one of the CIA's divisions involved in the coup (the division title has been deleted) requested a list of names of Arbenz government leaders, members of the Communist Party, and individuals 'of tactical importance whose removal for psychological, organizational or others reasons is mandatory for the success of military action'. The memo asks that CIA personnel read through the list and initial the names of those who should be included on a 'final list of disposees'.

Another version of the assassination lists compiled by the CIA and Carlos Castillo Armas (code-named 'Calligeris') in the course of preparing for the 1954 coup. The names of the agency's intended victims were divided into two categories: persons to be disposed of through 'executive action' and those to be imprisoned or exiled during the operation. Before releasing this document to the public, the CIA deleted every name, leaving only the rows of numbers to indicate how many people were targeted.

A narrative history of the CIA's role in planning, organizing and executing the coup that toppled Jacobo Arbenz Guzman on 27 June 1954. Cullather, now a diplomatic historian at the University of Indiana, worked on contract for one year with the CIA, where he was given access to thousands of agency records and secret operational files in order to produce this overview. The result is a surprisingly critical study of the Agency's first covert operation in Latin America. Beginning with a review of the political, economic and social forces that led to Arbenz's presidency in 1951, the document is an intimate account of how cold war concerns convinced President Eisenhower to order the removal of the democratically-elected leader by force. It also provides countless new details of a covert mission plagued by disastrous military planning and failed security measures: according to Cullather, 'Operation Success' barely succeeded. The CIA scrambled to convince the White House that it was an unqualified and all but bloodless victory, however. After Arbenz resigned, Eisenhower called the Director of Central Intelligence, Allan W. Dulles, and his senior covert planners into a formal briefing of the operation. Cullather's account now reveals that the agency lied to the President, telling him that only one of the rebels it had backed was killed. 'Incredible,' said the President. And it was. At least four dozen were dead, according to the CIA's own records. Thus did the Guatemala coup enter agency lore as an 'unblemished triumph', Cullather explains, and become the model for future CIA activities in Latin America. In Guatemala, of course, 'Operation Success' had a deadly aftermath. After a small insurgency developed in the wake of the coup, Guatemala's military leaders developed and refined, with US assistance, a massive counterinsurgency campaign that left tens of thousands massacred, maimed or missing.

JOHNSON MAY HAVE KILLED KENNEDY

Lyndon Baines Johnson, often referred to as LBJ, served as the 36th President of the United States from 1963 to 1969, after his service as the Vice President of the United States from 1961 to 1963. Johnson, a Democrat, succeeded to the presidency following the assassination of President John F. Kennedy, completed Kennedy's term and was elected President in his own right, winning by a large margin in the 1964 Presidential election. Johnson was greatly supported by the Democratic Party and, as President, was responsible for designing the 'Great Society' legislation that included laws that upheld civil rights. He also greatly escalated direct American involvement in the Vietnam War. Johnson's popularity as President steadily declined after the 1966 Congressional elections, and his re-election bid in the 1968 United States presidential election collapsed as a result of turmoil within the Democratic party, related to opposition to the Vietnam War. He withdrew from the race in a storm of controversy.

In 2006 E. Howard Hunt, an American intelligence officer, wrote his memoirs. They included a claim that Johnson might have been involved in ordering the assassination of John F. Kennedy. Hunt wrote that the night before the Kennedy assassination, Johnson met with Dallas tycoons, FBI moguls and organized crime kingpins, emerging from the conference to tell his mistress Madeleine Duncan Brown that 'After tomorrow those goddamn Kennedys will never embarrass me again! That's no threat, that's a promise.' It is a jaw-dropping accusation and the biggest JFK smoking gun there is, despite the fact that it has received little media attention.

Prolific author and lecturer Robert Gaylon Ross had the opportunity to conduct an 80-minute sit-down interview with Madeleine Duncan Brown, and from that lengthy discussion the truth about exactly who was behind the assassination of JFK was exposed. Ross wrote: 'Having Kennedy liquidated, thus elevating himself to the presidency without having to work for it himself, could have been a very tempting and logical move on Johnson's part. LBJ had the money and the connections to manipulate the scenario in Dallas and is on record as having convinced JFK to make the appearance in the first place. He further tried unsuccessfully to engineer the passengers of each vehicle, trying to get his good buddy, Gov. (John) Connolly, to ride with him instead of in JFK's car, where he would have been out of danger.'

If Johnson had no scruples in killing off a popular American President, what would stop him from authorizing the removal of Harold Holt from power if this suited his political needs?

#### WHY HOLT WAS KILLED: BACKGROUND EVENTS

To a criminal investigator motive is everything. There has to be a reason why the crime was committed. Even a pathological person must have some kind of motive to harm another human being. Motive begins with an idea, a concept, a set of thoughts that usually come into being in the face of a situation or problem. Motive is the end result of a complex set of neurological interactions in the brain, which trigger thought processes critical to problem solving. It is what separates humans from the rest of the animal kingdom. It is the specific trait of the human race to be able to forecast its own actions by desire and not by instinct. The main genesis of pathological planning involves two principal goals, greed and power. This is motive enough to kill under the right set of triggering circumstances.

Britain's 1966 announcement of the end of a British presence in Malaya, and in all other posts east of

the Suez Canal, ended an era in Australian foreign policy. The visit of the US Vice-President and of the Thai Prime Minister clearly indicated its future direction. Australia was left to fill the major vacuum in southeast Asian diplomatic relations created by the British withdrawal. Holt undertook a grueling schedule on an official trip that included east Asia. Where Menzies saw Asia as 'a land mass to be crossed over, preferably on the way to London', Holt travelled there extensively, with top-level meetings in Singapore, Cambodia, Laos, Hong Kong, Taiwan and South Korea. His decision to locate an Australian embassy in Taiwan demonstrated the direction of Australia's Asian policy, particularly in the light of the potential effects on future relations with the communist government of mainland China. The travel diaries kept by Holt and by Zara Holt, who accompanied him on almost all official trips, provide evidence of the determined development of relationships with Australia's Asian neighbours. From 28 March to 9 April 1966, Holt travelled through Southeast Asia, conferring with government leaders and meeting Australian military and diplomatic personnel in Singapore, Saigon, Bangkok, Kuala Lumpur, Malacca, Tenedak, Butterworth and Sarawak. It was during the course of these meetings that Holt came into contact with elements of the South Vietnamese and American governments that were actively smuggling drugs throughout the world. Most of these activities were CIA funding operations. The money was extensively used to affect political change in Indonesia, however much of it would end up in the pockets of corrupt US operatives, politicians and Vietnamese military strongmen. Holt as a prime minister effectively tried to move Australia away from its traditional British ties and push Australia into the political fold in Asia, aligning the country with the US and opening the door to a world-wide political scene of intrigue that his administration was far too inexperienced to handle. Over time Holt was drawn into new relationships that would end in his death at Cheviot Beach.

#### THE CHASE CONNECTION

Before Holt became treasurer for the Menzies administration he had developed an apparent close personal relationship with a gentleman by the name of Allen Chase of Chase banking fame. Allen Chase was a hardheaded businessman. Starting with a small machine shop (aircraft parts), he netted millions in World War II, spread out to real estate, and split his time between making big deals and entertaining Hollywood friends in his \$150,000 Bel Air mansion. In 1955 Chase National Bank and The Manhattan Company merged to create Chase Manhattan Bank, now revealed as a major part of the CIA's financing activities. Chase had invested millions into Australian commercial interests, including \$4 million trying to establish rice-growing interests in the Northern Territory and \$3 million in land development at Esperance, Western Australia. Chase was also heavily involved in trying to have a nuclear-powered desalinization plant built in Western Australia, which also failed at considerable expense to him. Mr Chase's final humiliation, when Holt was Prime Minister, was having a banking interest established in Australia. Chase wanted to buy the bank of Queensland and merge it with Chase International. This banking enterprise was soundly opposed by Holt's treasury department despite initially being supported by Holt, based on the blossoming friendship Chase had quite deliberately established with both Harold and Zara Holt. Papers housed in the Australian National Archive clearly demonstrate

Chase's constant attempts, through David Rockefeller, to establish financial concerns in Australia, with nearly all of them failing due to elements inside the Holt administration blocking the Chase concerns

#### DAVID ROCKEFELLER

After World War II, David Rockefeller joined Chase Manhattan Bank, which his family controlled. In 1961 he became its president, and from then until 1981 he held at least one of the bank's three top management positions—president, CEO, or chairman. He has also served on the bank's International Advisory Committee since 1981, along with others including Henry Kissinger, George P. Shultz, and Bill Bradley. David Rockefeller is best known in certain circles for his role in the formation of the Trilateral Commission in 1973. The 'three sides' from which the organization draws its name are the world's three primary centres of political and economic power: the United States, Europe and Japan. The Trilateral Commission extends membership only to highly influential people from those three regions.

While officially presented as a group of 350 people seeking to promote international understanding and globalization, to others the Trilateral Commission represents a 'new cabal' that wishes to promote the economic interests of some of its wealthiest members. It is credited with huge influence that works in largely secretive ways, and has been the subject of conspiracy theories involving global banking operations.

#### THE 1965 ROCKEFELLER LETTER

Letter from Harold Holt to David Rockefeller

Dated 31 May 1965

Dear Mr Rockefeller

You have advised me that your bank is considering the question of establishing a representative office in this country and have sought my advice in that connection. So far as the Commonwealth Government is concerned there would be no objection to the establishment by the Chase Manhattan Bank of a representative office in Australia, provided the representative office confined its business to the conduct of purely liaison activities and did not engage in any form of banking business, such as receiving deposits, granting loans, issuing bills, establishing letters of credit or buying or selling foreign exchange. The effect of these conditions is that the function of the representative office would be limited to maintaining a liaison between the Chase Manhattan Bank and its Australian business connections. As a liaison office it would not engage directly in financial transactions on behalf of the bank.

As you are aware it is a long-standing policy of the government not to issue authorities to overseas banks for the conduct of banking business in Australia. I would add that, if the Chase Manhattan Bank decides to establish a representative office in Australia on the conditions outlined above, the Treasurer's written consent would be required in accordance with section 66 of the banking act 1959 for the use of the word 'bank' or 'banker' or 'banking' or any word of like import in the description of the office. In this connection I would favorably consider any request by the Chase Manhattan Bank to



use, for instance, the word 'bank' as part of the bank's name in an appropriate description of the representative office.

Yours Sincerely

Harold Holt

Treasurer

The implications of Holt's treasury reply to Rockefeller's request to open a branch of Chase Manhattan Bank is obviously not what the American consortium had in mind. The bank would be no more than a shop front, with no real banking powers at all. In fact in 1967 just such a limited branch did indeed open in Victoria in the presence of Victoria's then Premier Sir Henry Bolte.

However there was a much more sinister plan in action that would ultimately lead to the formation of the infamous Nugan Hand Bank in the mid-seventies. Harold Holt's personal friendship with Allen Chase held with it certain pitfalls, namely Chase's constant attempts to establish American banking concerns within Australia. There are even hints at attempted blackmail against Holt by Allen Chase. There is a letter held in the Australian National Archives in which Chase refers to Holt being caught in a compromising position with Chase's own wife. Chase refers to a photograph in his possession that shows Holt with Chase's wife and makes mention of the unusual expression on the face of his (Chase's) wife. Chase, in the letter, assures Holt that the negatives have been destroyed but that he will be keeping the original. Apparently this matter did not concern Holt enough to allow the Chase consortium to establish its fully-functional banking concern within the country. Allen Chase made one last plea to Holt on 10 April 1967 (the same month Bernard Houghton arrives in Australia) to allow a fully functional Chase Manhattan to establish as an independent concern in Australia. Once again this request was denied by the treasury department under William McMahon.

Chase had discussions with Holt and his government concerning projects in Australia utilizing North American Aviation. Ultimately it was this deal that was to provide cover for the importation of one of the puppet masters behind Holt's killing. With the final refusal of Chases banking plot collapsing, the second plot to kill Holt had been activated and on 19 April 1967 a team from North American Aviation flew into Canberra with the intention of discussing the establishment of a nuclear desalination plant in Western Australia. Overtly and with the authority of President Lyndon Johnston the team also brought with it Maurice Bernard Houghton, who was not listed as an official member of the team but flew with them from the US to Canberra and was to leave for Sydney directly after meeting with ASIO director Leo Carter.

A Mr D.L. Williams, who at the time was in charge of special projects for the President of the United States, was in charge of the feasibility study group from North American Aviation. He stayed in Canberra with his team and met with elements of the Holt government prior to flying to Western Australia. This was how the shady Maurice Bernard Houghton managed to enter Australia. It was an event that signalled the beginning of the end for Harold Holt.

As a direct result of the visit to Australia by North American Aviation and during the course of talks on the building of a nuclear and desalinization plant in Western Australia, Sir Philip Baxter, who was at the time the head of the Australian Atomic Energy Commission, became aware of the plot to eliminate

Holt Baxter had said in private conversations that there were no limits to what these people would do to achieve their goals and that included murdering a Prime Minister of Australia. The disappearance of Holt was no accident. Baxter was well aware of what was going on in the upper echelons of the American government and the intentions they held for Australia as a subordinate nation.

What wasn't known by Holt at the time was that he was being used by the Chase consortium, who was working with the CIA and William Colby to export drugs out of Laos via Air America. In order for the CIA's plan to be effected, clearly there had to be a major change within the Australian Government. When Holt began dealing personally with the government of war-torn South Vietnam he learned the true nature of his so-called friends' intentions and where the bulk of Chase's money to be used in investment had come from, namely the opium fields of Laos and the CIA. Fortunately for Colby and the CIA there were elements in the upper echelons of the Holt government that were far more approachable and corrupt, namely John McEwen, Malcolm Fraser and Jon Kerr, along with quite a few others in high positions within the Australian intelligence community and the Federal Police. This can be demonstrated by following the events contained in a 1966 letter from David Rockefeller sent to Holt, as the Prime Minister, and may also provide an answer as to exactly how Sir Reginald Ansett had known of Holt's death before it was reported officially to the quarantine station guardhouse by Alan Stewart.

#### ROCKEFELLER: LETTER TO HOLT 1966

Personal Letter dated 23 June 1966

From: David Rockefeller, Chase Manhattan Bank

To: Harold Holt, Prime Minister of Australia.

Dear Harold

Peggy and I want you and Zara to know how delighted we are that your visit to this country is a state visit. We know you will have a delightful and interesting stay here. I can't begin to say how pleased I was to learn from Sir Reginald [Ansett] that it would be possible for you to come to New York before Peggy and I take off on Friday for the West coast. Peggy is sorry that she will not be able to be with Zara and you but she does send her love.

My luncheon here at the bank on July 1st has been set for one o'clock. I believe Sir Reginald has planned to accompany you here. I suggest we meet in my office and then thereafter join a number of friends and several of my colleagues for luncheon in our directors' dining room on the 60th floor.

Sir Reginald has let me know that President Johnston has placed his plane at your disposal for the trip from Washington to New York, which hopefully will provide more space for your party than would mine.

I look forward very much to July 1st and your visit here with us.

David Rockefeller

Whilst this letter may seem to be a fairly typical engagement for Holt, it does show that Sir Reginald Ansett had connections to David Rockefeller and also had some influence with President Johnson.

What arose from this meeting was a speech given by Holt entitled 'Australian development: The current scene'. Contained within this speech are yet more seeds to the demise of Holt in which he quite overtly criticizes President Johnson and his economic policies toward Australia—hardly the action of a diplomatic relationship reported as extremely close.

Address by the Right Hon. Harold Holt MP, Treasurer of the Commonwealth of Australia, to the Chase Manhattan Bank Seminar on Australia on 26 April 1965

There are uncertainties arising from the measures taken by the governments of the United States of America and the United Kingdom to improve their balance of payments position. At first sight it would appear that these can work adversely for Australia.

In the case of the US there is no question that Australia is the 'target area'. Then there are the latest restraints on investment which I mentioned earlier. In announcing them President Johnson spoke of his determination to preserve 'the freedom of the market place'. These restraints, of course, however necessary, run directly counter to the freedom of the market place.

A disinterested observer might be pardoned for concluding that this was a line of economic sanctions directed against a hostile power. On the contrary it is a description of the current state of play between good friends and allies—between Australia and the USA.

US investors, particularly, who have had their fingers burnt elsewhere in the world are now very conscious of any atmosphere of hostility towards them.

Occasions could arise when government would feel obliged to make it clear to overseas interests that their proposal would not be welcome: one example would be where overseas interests were to move to take-over industries of vital strategic importance to Australia. I might say there have already been instances where the influence of the government has been directly exerted to protect the national interests in overseas takeover bids, or to encourage a degree of Australian participation. I can't go into specific examples. This is not the kind of thing that can always be satisfactorily thrashed out in public.

Of course Holt was referring not only to President Johnson's economic policies, restrictive of trade with Australia. He was also talking of the constant attempts by the US government via private enterprise to establish a freely operating American banking concern within Australian borders, for purposes at the time known only to the President's office and the CIA via the Chase Manhattan Bank.

#### THE OTHER FRASER

Allan Duncan Fraser, born 18 September 1902 in Melbourne, was a journalist and Labor politician. His maiden speech emphasized the threat to individual freedoms posed by wartime controls and led to his chairmanship between 1944-46 of the national security regulations advisory committee. Allan Fraser was said to have been the first Labor back-bencher to declare his support for Prime Minister Chifley's controversial bank nationalization proposals in 1947. Fraser was elected to the executive of the parliamentary Labor Party in 1951 and was opposition

spokesman on social security Fraser also came under the scrutiny of ASIO during the Petrov enquiry of 1954 due to statements he had made as chairman of the national security regulations advisory committee, which were critical of ASIO's methods. Petrov mentioned to ASIO agent Leo Carter that he remembered that a Fraser had been invited as an MP to the Soviets' nationalization day celebrations. Much of the ASIO file on Fraser remains classified and exempt from publication at this time. Although it seems that nothing came of the investigation, Fraser is mentioned on an ASIO list of suspected communist sympathizers along with the name of Arthur Calwell, the leader of the opposition, and later the victim of an attempted assassination. As his years as a parliamentarian progressed, Fraser became increasingly interested in foreign affairs, particularly the emerging conflict in Vietnam.

From the beginning, he opposed the sending of Australian forces to Vietnam and, as spokesman for foreign affairs, had some influence in shaping the ALP's policy for the 1966 election campaign. The party was decisively beaten at the polls and Fraser, who had made the withdrawal of Australian troops the dominant issue in Eden-Monaro, lost the seat which he had held for twenty-three years. He won it back in 1969, but did not seek a place on the caucus executive and retired at the end of his term in 1972.

In 1966 he openly attacked Harold Holt's association with Allen Chase, comparing Chase to Goldfinger, a maniacal character from Ian Fleming's Bond series. The *Canberra Times* on 19 August 1966 reported 'The Prime Minister Mr Holt had while in America spent the weekend with a man so sinister that he was credited with being the inspiration for James Bonds Goldfinger, the house of representatives was told last night. Mr Fraser (Labor, NSW) speaking in the foreign affairs debate said the man seized minerals in countries all over the world wherever he could get them. After the weekend Mr Holt was faced with the problem of what to give this man. Said Mr Fraser: "He wanted to give him some more mineral resources but when he contacted Canberra for advice he was told that too much had been given away, that there was nothing worthwhile left."

#### COME ON IN: THE BACK DOOR IS OPEN

The year after Holt's disappearance, on 10 May 1968, there was a Hawaiian meeting between William Colby and Gerald Parsky, to discuss establishment of a new front company in Australia. The company would be known as Australasian and Pacific Holdings Limited, and be managed by Michael Hand using Chase Manhattan Bank assets.

In October 1969, Chase Manhattan begins the new operation in Australia with National Bank Australasia and AC Goods Associates, known as Chase-NBA. The Nugan Hand Bank begins operations with thirty per cent of the stock held by Australasian and Pacific Holdings (which itself was one hundred per cent Chase Manhattan owned), twenty-five per cent by the CIA's Air America (known as 'Air Opium'), with a following twenty-five per cent by South Pacific Properties, later known as Nugan and Hand.

Following Holt's death in 1967, through criminal contacts established by Maurice Bernard Houghton, heroin is flown into Australia by the CIA's Air America and trans-shipped via Sir Peter Abeles transport concerns, assisted by Australian Federal Bureau of Narcotics officials and co-ordinated by



the CIA's Ray Cline and his Australian partner ASIO's Leo Carter. The drugs are initially distributed in Sydney to armed-service personnel on leave from the war in Vietnam but soon after become a national plague that continues to the present day, ripping the heart out of civilian lives and destroying families across the nation. So it can be clearly demonstrated that Australia's problems with heroin and marijuana began not long after Harold Holt was effectively assassinated by the CIA.

Holt's relationship with Chase was merely another long range plot by US intelligence to gain access to Australian financial concerns in order to launder drug monies coming out of the war in Vietnam. Holt finally became fully aware of these activities during his meetings with the then Premier of South Vietnam, who was looking for a way to secure a future in the United States should his country lose the war.

## CHAPTER FIVE

### THE DEADLY DOCUMENTS OF NGUYEN CAO KY

Harold Holt, as Prime Minister, had a number of personal ties within the various governments of Asia which were publicly stated as an investment in Australia's economic and strategic future. The most controversial of these relationships was with South Vietnamese leader, Air Vice-Marshall Nguyen Cao Ky, who visited Holt in January 1967. Holt was forced to deny that Ky and his supporters were corrupt and responsible for murdering his predecessor, President Ngo Dinh Diem. On one occasion Holt wanted Ky and Madame Ky invited to a gala summer dance party at the Holt's residence. In Zara Holt's view, if security did not spoil the party, the protestors would, so the Kys instead enjoyed a quiet lunch and a tour of the Royal Australian Air Force College on 22 January 1967.

In 1963 a coup ordered by the US resulted in the execution of Diem and his brother Nhu. Nguyen Cao Ky, with full US support, was elected Premier in 1965. Throughout the Vietnam War, Ky was accused of various forms of corruption, smuggling, drug-running and generally siphoning off of American aid into personal wealth and foreign bank accounts. Through the course of this time Holt came to have intimate knowledge of these operations, including many involved in the Air America affair.

Civil Air Transport, owned by US General Claire Lee Chennault and later bought by the CIA and renamed Air America, was originally subsidized, in an arrangement made by Paul Helliwell and Frank Wisner, both heavily involved in CIA operations in Laos, to transport arms, munitions, and provide transport. These planes were the primary method of transportation in an arms-for-drugs pipeline that shuttled arms and opium between the Shan states and Bangkok. Nguyen Cao Ky, fearing that he would go the way of his predecessors, handed over to Harold Holt extensive documentation of these illegal operations. The documents named the majority of US military and CIA staff involved in the affair and detailed plans to set up an illegal drug money laundering operation in Australia.

At this time Deputy Prime Minister John McEwen approached Holt with a proposal to establish a corporation with the express purpose of raising large sums of overseas capital. This establishment was to be in effect a private banking interest that operated independently of government authority. The proposal was opposed by the then treasurer William McMahon and ultimately quashed by Holt with the ensuing argument spilling over into secret meetings with the Governor-General.

### BLACK DAYS: BACKSTAB

Recently released secret Cabinet papers written by William McMahon illustrate how fragile the coalition government under Holt was in 1967. The papers reveal just how hateful John McEwen was toward not only McMahon, which has been publicly acknowledged for many years, but also the intense hatred 'Black Jack' had for Holt as well. These secret Cabinet papers discuss, in the main, the history between McMahon and McEwen. However when taken as a whole they provide a startling insight into the political situation that Holt was facing, right up until when he got on a VIP plane on the afternoon of 15 December 1967. This flight was to be his last ever to his Portsea holiday home. Herein we shall examine these papers, as well as newly-obtained police investigation files into the matter of a threatening letter sent to Holt on 9 December 1967. This letter was under full investigation by Commonwealth Police, right up until Holt disappeared, when the investigation was suddenly

dropped on the 19 December, two days after the death of the Prime Minister. We have attempted to obtain a copy of the actual letter under the twenty year rule, however upon application found that only elements that involved the police investigation could be released. The actual threatening letter, who wrote it and what it contains remains classified under national law. The contents of this letter, according to the national archives, may never be released. First mention of this letter comes from a Commonwealth Police investigation dated 6 November 1967 and reads as follows.

#### COMMONWEALTH POLICE

6th November 1967

The Deputy Commissioner, Canberra

Anonymous offensive letter to Prime Minister

1. I have to report having interviewed Mr L. McSpeerin at the Prime Minister's department at about 12 noon Monday 6th November, 1967, about this matter.
2. Mr McSpeerin said he had no information to offer to indicate the identity of the writer of the letter, or any suspicion in that direction. It appeared to him that the letter had not been mailed and apparently had been put in the mailbox at Parliament House for delivery to the Prime Minister, that the offender was probably situated at Parliament House. The letter had been submitted to this force for any action which seemed desirable. Apparently Mr McSpeerin did not think it a matter for further enquiries at Parliament House, or to proceed without first advising him of the course of action this may take.
3. It occurred to me that as the typing appears to be professional and the letter was posted at the time of a debate that it may be the work of a junior newspaper reporter located at Parliament House.
4. It is suggested that the letter be forwarded to the document examination bureau of this force to ascertain if the make of the typewriter can be identified.

A.G. Tilton: Sergeant

As a result the original document was indeed sent to the NSW crime lab and certain handwritten notations on the letter were examined in detail, as well as its type set. Upon the result of this investigation, another police letter was sent to Parliament House detailing a sudden lack of interest in finding the culprit of this letter even though they had a suspect other than a lowly reporter. In fact not only is the actual letter marked never to be seen by the public, the suspected culprit's name and possible title has been blackened out on the newly released police letter.

15th December 1967

The officer in charge, NSW District

The Prime Minister's Department

Threatening letter to the Prime Minister

I have to report as a result of my examination in this matter I cannot identify the hand lettering appearing on the anonymous letter as having been written by [two large areas blacked out]

B.J. Fitzgerald

(Sergeant 2nd class)

As part of our investigation we have measured the blackened area where the culprit's name is suggested. The area is quite large and blackened in two successive places, one after another suggesting that the suspect either had a relatively long name in two parts or, more likely, that what has been covered over was a title and a name.

We shall get to whom we suspect as having written this letter in due course, but first there is the matter of exactly how Parliament House staff chose to deal with this matter. In a final letter dated two days after Holt was killed, Commonwealth Police sent the following letter to Parliament House and the newly-installed Prime Minister John McEwen's office.

#### COMMONWEALTH POLICE

19th December 1967

The Deputy Commissioner, Canberra

Anonymous offensive letter to the Prime Minister

1. I attended the office of Mr P. Bailey, private secretary Prime Minister's office, at 11.15 am Friday 15th December 1967 to discuss results of this case.
  2. Mr Bailey stated that he thought that the enquiries had produced useful information which could be referred to if there was a repetition of this particular offence. For the present he preferred that no further enquiries be made.
  3. I gathered from his comments that it was a matter that he thought could be safely left alone at this stage, rather than pursue it and run the risk of some unwelcome publicity.
  4. He added that if any similar letters are delivered he will forward them to this force immediately.
- A.G Tilton: Sergeant

As the interview with Bailey was dated the 15th, it shows clearly that Holt was still alive and about to leave that very afternoon for Portsea. What is contained in that letter is still subject to a national security non-release clause. Yet reading that last referral to the letter from the Commonwealth Police and Bailey's response to it indicates another example of absolutely no security concerns for a prime minister who was running a country in upheaval. Holt had received a possible death threat in this letter and he had certainly previously been fired upon by Nedeljko Gajic from within the grounds of Parliament House itself. These are yet more fragments of evidence that suggest Holt was the victim of a plot that ended in his death at Cheviot. The police letter is dated as being sent on 19 December 1967, two days after Holt was killed. With John 'Black Jack' McEwen as the newly-installed Prime Minister, the matter was dropped and buried. It was during the course of extensively researching this work that the investigation into the threatening letter has surfaced for the first time in over thirty years. As to who had written this letter? First we shall discuss the newly-released and until now secret McMahon papers that grant yet more insight into the political picture as a whole of that time.

1965: 'I WILL FUCKING MURDER YOU!'

It can be said that William McMahon was a good hand at detailing events taking place amongst the



serving coalition government of the Holt-led Liberals and McEwen-led Country Party. Due to his own long-standing problems with McEwen, McMahon committed to paper a brief history of his ongoing problems with the tough and somewhat one-eyed leader of the Country Party. It is in these discursive papers, until now having been top secret, that more detail on Holt's problems come to the fore.

## SECRET AND PERSONAL

### AIDE-MEMOIRE [undated]

A short history of difficulties with Mr McEwen

During the years 1954-56 when I was Minister for Social Services I became friendly with Mr McEwen both politically and personally. We frequently dined together both in Canberra and Sydney. He persuaded me to accept the portfolio of Primary Industry on the understanding that he would ensure that I would be a member of the new Cabinet.

At about this time Sir Eric Harrison spoke to me about my close association with Mr McEwen and said that I would be drummed out of the Liberal Party if the association did not end. I refused to agree to his suggestion. Subsequently Mr Hasluck was appointed to Cabinet and I was omitted. Because of reports that came to me I discussed this with Sir Eric. He said your time will come, let bygones be bygones.

Shortly after this I became Minister for Primary Industry in January 1956 and my difficulties with Mr McEwen commenced. The first arose when I placed a submission on the Cabinet notice paper held in Sydney. Mr McEwen called me out of the Cabinet room and said 'If you go ahead with this submission I will fucking murder you.' I called the then Prime Minister Mr Menzies out of the Cabinet room and informed him of what Mr McEwen had said and he replied 'Go ahead with the submission.'

Normally when I presented a submission as Minister for Primary Industry I ran into difficulties. Sir Arthur Fadden, knowing of my problems, privately informed me that at a meeting held prior to my appointment as Minister for Primary Industry, in the then Prime Minister's room, it was agreed that I would not have the power of recommending policy decisions made by Mr McEwen. This decision was never conveyed to me whilst I was still the Minister for Primary Industry. This was confirmed by Mr Holt when I was in the Cabinet room. Mr McEwen had also frequently made it known prior to Prime Minister Menzies's retirement that he would not serve under Mr Holt.

And so with a threat of murder McEwen dominated the career of William McMahon. Having given the reader an idea of the kind of dirty politics that 'Black Jack' was more than capable of, we can now reveal via this interesting and historically-significant collection of letters how the last days of Harold Holt played out in the political arena, through the recollections of William McMahon. The letters deal mainly with McMahon's dealings with Max Newton and a scandal that may well have been the workings of McEwen for the purpose of undermining McMahon's hold on leading the government if anything were to happen to Holt. In effect McMahon should have been made Prime Minister after Holt had disappeared. It was McEwen that had inevitably vetoed this outcome. During this course McMahon was summoned to the Governor-General's office and questioned about McEwen. McMahon recalls the meeting as follows.

SECRET AND PERSONAL

Friday 8th December 1967

CONFIDENTIAL

AIDE MEMOIRE

To the Prime Minister

At 11 o'clock this morning I saw the Governor-General at his request. He said he had a constitutional responsibility to serve the Government in power, whether it was Liberal or Labor, and he had to do his best to see that the government functioned effectively.

Over the course of the last few months he had heard from members of the parties and from businessmen that my relationships with Jack McEwen were not good and that I had been attacking him. 'An attack on McEwen was an attack on the whole Country Party.' I interjected to say that first of all I challenged his constitutional authority to discuss this matter with me as Governor-General, as he was assuming the role of Prime Minister, that probably what he had to say had been overcome by events and that too many people were now trying to get into the act anyway.

Following this meeting McMahon reported what had occurred to Holt himself and his letters detail what followed.

SECRET AND PERSONAL

Sunday 10th December 1967

I telephoned Mr Holt at Portsea and said I had a discussion with the Governor-General on Friday 8th December and said it would be wise to see him as soon as I could. Mr Holt said I am glad you have seen him. I knew you were going to.

I then went on to say that the Governor-General said he thought he had a constitutional responsibility to ensure that the government remained stable and was not divided. I said I disputed his constitutional right but if he wished to talk to me as a person well known to McEwen and myself he was entitled to do so.

I said that I did not want to canvass all that was said, there were however some matters I felt obliged to draw to his attention.

By and large the substance of our discussion was the same as the discussion we had with McEwen and the other ministers in his room, with one exception. His Excellency mentioned the article in 'Inside Canberra' about McEwen's trip to GATT [General Agreement on Tariffs and Trade] in connection with the quota proposals of the US congress. I would let him have a minute about this.

I said there was one more disturbing matter, and that was the approach of His Excellency to the resignation of the leader of the Country Party and the competition between Anthony and Sinclair for the leadership when he resigned. I informed the Governor-General that I would not participate in discussion about the Country Party, that it was an internal problem for them. What disturbed me was that the Governor-General had said that McEwen had informed him on several occasions that he had intended to resign, but the Governor-General had pleaded with him not to do so. He also referred to

the fact that if it happened Anthony had the edge over Sinclair and you had informed him you did not want McEwen to resign. Mr Holt said that this was absolutely wrong. What a blessing it would be for us if McEwen would go. You know how unhappy I am about him and how happy we have been during his absence. We have had no trouble at all with the Country Party whilst McEwen has been away and have been able to make the right decisions.

So clearly it is demonstrated that Holt wanted McEwen out of the government. McMahon's letters go much further in detailing, without his direct knowledge, that a plot was well and truly underway against both Holt and McMahon. Holt was to be removed by McEwen and McMahon was to be disavowed by the Country Party. The real reason behind this is far more sinister than mere political bickering.

#### SECRET AND PERSONAL

Tuesday 12th December 1967

I saw Mr Holt and handed him a copy of my minute of my conversation with the Governor-General. He again stressed his wish to get McEwen out of the Cabinet and confirmed he would be seeing the Governor-General for dinner on Wednesday night. We also discussed Jack McEwen's statement about devaluation and I said that while the statement was guardedly worded it must be obvious that in intent it was an attack on the government's policy about devaluation.

Mr Holt said that he had taken this extremely seriously and it was his intention to ask McEwen whether or not to stay in the government after having made this statement. He asked me to prepare a draft press release dealing seriatim with McEwen's statement.

He asked me whether it would be wise to call Hasluck, Fairhall and Gorton and I said I thought it would be. Later the five of us met and discussed McEwen's press statement. At this meeting Mr Holt commenced by saying that he felt that he should ask Mr McEwen if he could stay in the government after having made such a statement.

Mr Hasluck took the view that the statement was worded in such a way as to provide a way out and consequently he urged caution and stressed that this matter should be left to the Prime Minister [Holt] to decide. Gorton took the view that it was better to approach the matter indirectly rather than directly. He urged that McEwen had to be asked precisely where he stood on the issue.

#### SECRET AND PERSONAL

Friday 15th December [Holt's final day in office.]

I met Mr Holt when he arrived at the house early on Friday morning. We discussed the draft press release relating to the submissions put to the Cabinet by the Minister for Trade and the Minister for Primary Industry. Various amendments were discussed. The Prime Minister wanted some amendments made, particularly one relating to canned fruits. I agreed with the amendments with the exception of those relating to canned fruits.

Later Mr Holt asked me about the paragraphs in the Minister for Trade's submission on the 'general implication for industries and trade' and the proportion of our GNP that goes into international trade. He said he was surprised that he had heard that only two other countries had a lower rate of exports

to GNP and that 14% of our GNP went into exports. I said well this is true but it was only a partial statement of the facts and actually only Japan and the United States were atypical. Many other countries such as Sweden, Netherlands and Belgium exported more to GNP than us. We export less than bigger countries like Canada and Germany. He said 'Good God what about the other parts of the submission, were we wrongly informed on other parts?' I said I think it's the most dishonest submission I have seen since I have been in Cabinet.

I saw the Prime Minister later in the morning and told him I had a minute prepared on the trade paper together with a copy of the treasury minute and I would let him have it before he goes. Subsequently a copy of my own and the trade minute were handed to him. Before he left I asked Mr Holt if he thought there was anything more I could do to pacify Mr McEwen. He replied 'Bill you have humiliated yourself enough, I can't ask you to do anything more.' He went on to say with considerable bitterness 'Bill don't forget this is history repeating itself. Jack is out to beat us. He very nearly beat us in 1961 when he disowned us on the communist issue. He clouted you in Capricornia. He clouted me on devaluation and he didn't show up in the senate campaign. So we have to face it and I don't know the answer.'

I remember too—he [McEwen] was frequently saying that he would not serve under Holt and his attitude to redistribution.

And so it went that on that last day in office the Holt-McEwen rivalry reached its apex. That afternoon Holt left his offices and journeyed to his final fate in the sleepy seaside town of Sorrento, Portsea, and to his death at the hands of a cadre of assassins off Cheviot Beach. With Holt out of the way the Governor-General had sworn in John McEwen, the hard-edged old-school politician. This event too is recorded in the letters of William McMahon. In this last letter the treachery of the McEwen mandate comes to a boiling conclusion in the office of the Governor-General.

## SECRET AND PERSONAL

Monday 18th December 1967

At 4pm I had a talk with the Governor-General at his request. He had informed me that he had decided to swear in McEwen as temporary leader of the government, on condition:

- 1) That if Mr Holt were found alive that Mr McEwen would immediately relinquish the Prime Ministership.
- 2) That once a Liberal Party leader was elected Mr McEwen would resign so that the Liberal leader could become the Prime Minister. He said that I have not got this in writing from McEwen but I presume I can trust him on this. I said that I have no doubt in circumstances like this McEwen can be trusted. I did not think it was necessary to put the conditions in writing.

His Excellency then spoke about the presumption of death and asked for my views. I said His Excellency had the constitutional power to act as soon as he wished to. The presumption could be made 48 hours after Mr Holt's disappearance but it would be wise to check with the Victorian Law authorities in order to ensure whether there was some state law or convention that would provide for a presumption of death judicially. He said he was doing this now.



His Excellency then informed me that Mr McEwen had advised him that he would serve under any minister in the Liberal Party with the exception of myself and that this was the view of his party. Mr Hasluck had also informed him he would not serve under me. His Excellency also asked me about the swearing in and I said this was in his discretion. It would be necessary to swear in a new Prime Minister but it was not necessary in the case of the other ministers. This morning Mr McEwen had raised the matter with me and said he would be governed by past precedence.

It was after this meeting that the Governor-General realized that within Holt's briefcase, now in Portsea, were papers relating to the Maxwell Newton/McEwen battle. These papers, addressed to Holt, contained the Governor-General's personal thoughts on the matter and incriminated McEwen and himself in the conspiracy to keep McMahon in disrepute. It is at this point that operatives of ASIO were sent to Holt's home to recover those documents.

#### THE DALTON FILES: HOW TO IGNORE WONDERWOMAN

In 1971 during parliament question time, Senator James Luke Cavanagh put a series of questions forward to the Attorney-General's office representative, Senator Greenwood. These questions concerned contact made with a Mrs Dalton in 1966, who had made several warnings to the authorities seven-and-a-half hours prior to Arthur Caldwell being fired upon by the would-be assassin Peter Kocan. She had also made warnings to the authorities about an attack on Parliament House that had the intent of killing a senior parliamentarian. Dalton even produced photocopied papers proving that these events were about to take place prior to them happening, and claimed that a subversive group would be responsible for these attacks. In 1967 Dalton reappeared with a warning issued to Commonwealth Police, early on 17 December 1967, about an attack by a subversive group on a senior parliamentarian. The very day that Harold Holt was assassinated off the beach at Cheviot. Below we have reproduced that series of questions issued by Senator Cavanagh, who in later years went on to become Minister of Police.

#### Question 852

Senator Cavanagh asked the representative of the Attorney-General upon notice:

1. Was the sergeant on duty at Government House, Canberra, notified by Mrs Dalton of the imminent danger to the life of a senior politician seven-and-a-half hours before a shot was fired at Mr Arthur Caldwell, the then leader of the opposition?
2. Following the incident did the Attorney-General instruct a Sydney police sergeant to make an investigation?
3. Was the particular sergeant the NSW representative of the Australian Security Intelligence Organisation? (ASIO)

#### Question 854

1. Did Mrs Dalton on the 5th October 1966, before a number of witnesses including an attendant at Parliament House, put on a written record that an attempt upon the safety of Parliament House could

be expected in about a month's time?

2. Was a person apprehended in November 1966 on the front steps of Parliament House with a sawn-off shotgun in a briefcase?
3. Was it the intention of this person to cover the escape of an accomplice who intended to enter Parliament House by way of an unguarded back kitchen door and proceed to the front door placing explosives as he went through the building?
4. Was this plan unsuccessful because the latter individual was arrested the previous day in Sydney and detained?

#### Question 856

1. Was the Canberra home of Mrs Dalton raided and searched in December 1967?
2. Did the Commissioner of Police, who authorized the raid, inform the officers making the raid that the search was necessary as Mrs Dalton was expecting at any moment a serious attack on a senior politician and the search was for further information?
3. Did Mrs Dalton on 17th December warn Commonwealth Police headquarters of the imminent danger to a senior parliamentarian by subversive forces?
4. Was Mrs Dalton on that occasion ordered from police headquarters by the Deputy Chief of Police?
5. Did Mrs Dalton return two days later repeating her warning and producing certain photostat documents?
6. Has there been any investigation as to whether this warning could have had any relationship to the disappearance of the then Prime Minister Harold Holt in December 1967?

#### THE SOUND OF SILENCE

Stunningly the answer to all of the above questions was a resounding no. And yet we have indeed shown in this work that Caldwell was fired upon by Kocan after Dalton's warning. That indeed there was an attempt at Holt's life by Gajic, who was also arrested in Sydney. If Dalton's additional information was acted upon perhaps Holt may not have died. Clearly this woman was in contact with an organization that fully intended harm to senior members of parliament. And if her place of residence was raided, as she states, what happened to any evidence that may have been acquired? Was this evidence simply ignored, or was something more sinister taking place in the corridors of Parliament House?

We have tried to gain access to ASIO files relating to Mrs Dalton but these files, held in two large volumes at the National Archives of Australia, are listed as top secret and exempt from public access. We have ascertained that Mrs Dalton's full name was Dorothy May Dalton and that she was a member of an anti-war protest group known as 'Save Our Sons', their acronym being SOS. Save Our Sons was by-and-large a group founded and run by women. They often held quiet, orderly protests against the war in Vietnam and posted letters of protest to members of parliament, as well as producing a newsletter. Hardly a dangerous communist threat, this quiet peace movement had a substantial amount of ASIO resources aimed at monitoring their activities. There can be little doubt that whatever intelligence material Mrs Dalton had access to, ASIO would most certainly already have

been aware of, based on reports made by ASIO agents who had deeply infiltrated this rather mild group of activists. If this was the case why did they not act?

Rather ironically Senator James Luke Cavanagh was a member of the second Whitlam ministry, which had a far more active role in raising questions into the disappearance of Harold Holt than Holt's own Liberal Party seemed to have. Whitlam even raised questions himself as to what was contained in Holt's briefcase at the time of his death, as can be shown in the following question posed at parliament question time held on 20 May 1969.

Question 1214

Mr Whitlam asked the Prime Minister upon notice:

1. Has he asked his press secretary whether the late Prime Minister's papers of which to the best of his knowledge his press secretary first took charge, contained a letter from the Governor-General concerning an interview which His Excellency had with the Treasurer about the Treasurer's relations with the Deputy Prime Minister?
2. If so what did he learn?
3. If not does he propose to ask his press secretary?
4. Has he asked John Bunting into whose custody, to the best of his knowledge his press secretary took the late Prime Minister's papers, who now has custody of those papers?
5. If so what did he learn?
6. If not does he propose to ask John Bunting?

Mr Gorton replied:

The answer to the honourable member's questions is as follows.

1. No.
2. No.
3. No.
4. Sir John Bunting has informed me that to the best of his knowledge all official papers were given into the custody of an officer of the Prime Minister's department. I have not enquired and do not propose to enquire about any private letters or any personal possessions belonging to the late Mr Holt.
5. No.
6. No.

Gorton's answers were at the least carefully worded and at worst outright lies, as it was on the Governor-General's orders that ASIO officers had broken into Holt's Portsea home and stolen documents from the second briefcase contained in Holt's bedroom. These documents were damning of McMahon's rumored relationship with Maxwell Newton and discussed the rift between McEwen and the treasurer William McMahon. As history would show this would not be Whitlam's last clash with conspiracy coming out of the Liberal Party and the office of the Governor-General.

NO CIA ACTIVISTS IN AUSTRALIA?

The activities of the CIA in Australia have been widely refuted since the dismissal of the Whitlam government. Under the Fraser administration Malcolm Fraser himself spoke to the then President of the United States, Jimmy Carter, and made enquiries as to whether there had been any official CIA activity past or present in Australia. Not surprisingly, the answer was a resounding no. This of course is provably false. The CIA not only has very close ties to ASIO and ASIS, but also Australian military commanders that actively worked for the CIA at the time of Holt's administration. Most predominant of these was Brigadier Francis Philip Serong, a Distinguished Service Order recipient.

On 6 July 1950 Prime Minister Robert Menzies issued a directive titled 'Charter of the Australian Security Intelligence Organization' on the appointment of Colonel Charles Spry as the new Director-General of Security. Spry had served under General McArthur during the conflict in New Guinea in World War II, which had spawned two major Australian defence organizations funded with American money: Z Force, which became the Special Air Service Regiment or SASR, and the Australian Intelligence Bureau, later to become ASIO and its international counterpart ASIS.

In later years, when Spry himself retired (in 1969), the Deputy Director of the CIA sent the following tribute: 'The relationship between the CIA and ASIO started as a very personal one. The real substantive relationship started with Sir Charles's visit in 1955. Since Sir Charles's first visit, the relationships with ASIO have continued to become closer and closer until today we have no secrets, regardless of classification or sensitivity, that are not made available to ASIO if it is pertinent to Australia's internal security. I feel, as does the Director, a type of mutual trust in dealing with ASIO that is exceeded by no other service in the world today.'

The main bridge of information between ASIO and the CIA from the mid-1960s to mid-1970s was Brigadier Francis Philip Serong. Serong graduated from Duntroon in 1937, served first with the artillery, then with an armoured regiment until, switching to the infantry, he saw combat in New Guinea with Z Force itself. That was where he became interested in the challenges of jungle warfare and came under the eye of Colonel Reginald Pollard's 6th Division senior staff officer.

After World War II, Pollard, along with another 6th Division staff officer, Charles Spry, pushed for Serong's post-war assignment of training the Australian infantry in jungle warfare, and later in his security work in Vietnam. With the rank of colonel, Serong was given command in 1955 of the reopened jungle warfare training centre in Canungra in south-eastern Queensland. Serong was appointed senior adviser on counterinsurgency to the commander of the US military command serving under General Harkins, and then General Westmoreland.

Ultimately he was seconded to the CIA to become senior adviser to South Vietnam's paramilitary, civil action and political operations units. He was a security and intelligence adviser to the South Vietnamese government for some years as well as preparing strategic analyses for various intelligence organizations, and other US corporations. During the Vietnam years he was also a consultant to the Pentagon and to three American presidents being Kennedy, Johnson and Nixon. From 1965 Serong instructed in counterinsurgency tactics wearing a business shirt and tie. He was not in military uniform, because he was with the CIA, having been seconded in March 1965 from the Army to the Department of State, the public cover for his contract with the Agency. His postings in Vietnam henceforth indicated officially that he was with the United States Aid Agency or with the US



Information Service. In this capacity Serong was heavily involved in the Phoenix programme, once stating that 'Yes, we did kill teachers and postmen. But it was the way to conduct the war.' In the 1970s and 1980s Serong attended international conferences of the World Anti-Communist League, a peak right-wing organization. In October 1993 Serong was a distinguished guest at the annual national seminar of the League of Rights, which he advised about defence issues. The aging soldier became even more lunatic fringe in his affiliations. By the mid-1990s he was patron of the AUSI Freedom Scouts, which, from Cobar, in western NSW, trained detachments of men to deal with a foreign invasion or a 'big showdown with the socialists in Canberra'. Serong was also linked to another irregular paramilitary group, the 'Guardians', which in 1996 claimed to have organized groups 'against some future emergency when they might see the need to overthrow the government'. This group even buried caches of SKS Chinese automatic weapons along with ammunition to be used in the event of an invasion of Australia by Indonesian forces.

Back in 1968, Serong began to contract to the Rand Organization, on CIA instructions that a Rand contract would act as a suitable cover for his continuing operations in Vietnam. He retired from the Australian Army at that point. In his affiliation with Rand, he developed manuals on irregular warfare: these were commissioned by the Pentagon and paid for by Department of Defence money. He was later to say of that decision, that his 'relationship with the Australian Army, by and large, was a very happy one', adding 'I left it because I found a way of being of more service to the country outside it than in it. It was a matter of staying in the wagon and trying to steer it or getting out and pushing, so I got out and pushed.'

These pushes started earlier in the sixties as America pressured the Holt government to send substantially more military elements to Vietnam. In 1967, after General Maxwell Taylor visited Holt and discussions on Vietnam were inconclusive, America played its trump card, the right wing, pro-American, Australian CIA agent Philip Serong. It seems that both Ronald Titcombe and Serong, who were strong anti-communists, were fed intelligence by American agencies that Holt was a communist sympathiser. This was bolstered by Deputy Prime Minister John McEwen's opinion that Holt was far too soft on communism.

On 17 December 1967 Serong was in Canberra. In fact records show he had been there since 24 June of that year, departing back to Vietnam on 19 December 1967, two days after Holt was killed at Cheviot Beach. Titcombe was also working at the Department of Navy in Canberra for some weeks prior to being detached to an SASR element and sent to HMAS *Lonsdale*, the nearest naval base from Cheviot Beach. It was also around this time that the happily married Titcombe was dating Alan Stewart's relative Patricia Stewart periodically in Melbourne. It is clear that Titcombe and Serong had some interaction in Canberra during Serong's visit there. Indeed it is around that time that John Michael Hand and Maurice Bernard Houghton arrived in Australia.

#### CHASING THE MONEY

Clearly the Chase consortium had an ally in John McEwen, who had backed the banking scheme and even tried to put the proposal forward as his own idea after Chase's direct action had failed. Ironically it was McEwen that took over as caretaker Prime Minister after the death of Holt. Holt began the year

of 1966 with the introduction of Australia's new system of decimal currency, introduced on 14 February. Although all the preparatory work for the changeover had been done while Menzies was Prime Minister, Holt had particular responsibility for currency matters as treasurer, and was highly involved in both the decision to change and its implementation. With the currency change over, some banking legislation also had to reorientate to allow for the new currency rates. It can be surmised that McEwen was well aware of the CIA's plan to utilize the currency changeover to begin a new laundering operation in Australia to finance many of its covert operations around the world, effectively gaining funds that the US Congress would never authorize.

This situation afforded an opportunity for the CIA to move some of its money laundering operations into the fledgling Australian decimal system. The CIA preferred to work through allied banks that were secure, but had flaws in their accounting procedures. When the Castle Bank was uncovered, the American IRS announced a major investigation of the bank's money laundering activities. This was warning enough for the CIA to wind down its operation and move its assets elsewhere. The process took time, however, and the IRS suddenly cancelled the investigation. The *Wall Street Journal* was told by informed sources in the IRS that the CIA had blocked the investigation. Knowledge of these practices and his own personal wealth garnered from years of participation in assisting illegal fundraising for the CIA in Laos was in effect Nguyen Cao Ky's insurance policy, ensuring him safe passage out of south Asia and into America after the war.

Towards the end of the Vietnam conflict Nguyen Cao Ky managed to find asylum in the United States, and first settled in Virginia, not far from Admiral Yates. Prior to becoming president of Nugan Hand Bank in 1977, Admiral Yates, a Legion of Honor winner in Vietnam, commanded the aircraft carrier USS *John F. Kennedy* and served as chief of staff for plans and policy of the US Pacific Command. He retired from active service in 1974. Admiral Yates lived in Virginia Beach, Virginia, a short trip from Washington DC, where Yates was CEO of a Nugan Hand office. Virginia seems to be something of a retirement village for those involved in both Task Force 157 and employees of Michael Hand's banking (drugs for arms, money laundering) escapades, and by inference the Holt assassination. Virginia is also something of a protectorate for these people as the navy SEALs have a military training base not far from a property known as Mount Airy Farms, a thousand-acre estate owned by Bernie Houghton where he often entertained his close comrades Thomas Clines and Theodore Shackley, Hand's former CIA superiors back in Laos who were now rising fast in the Agency's Langley headquarters.

Nguyen Cao Ky was well looked after by these people, having been instrumental in making them all very rich. The documents he handed to Holt effectively ensured his continued prosperity. Ky now makes a good living as a keynote speaker on the Vietnam War, and his daughter is something of a celebrity actress and singer. The documents that Holt held stayed with him until the time of his death, contained within the famous briefcase he had with him at Cheviot Beach. Those documents were removed from his car on the day of his assassination. The original documents are now housed within a secure vault at the Australian National Archives with the file number A6980T1, and are likely never to be released. Although the documents themselves may never be viewed the actual envelope in which they are contained has some very interesting notations inscribed on them.

PAPER FILES AND DOCUMENTS: NGUYEN CAO KY  
The documents carry a security classification, up to top secret. The series was discontinued in December 1967, following Holt's disappearance, and transferred to archival custody in February 1984. The envelope containing the documents is inscribed with a few very interesting notations written by the Secretary of the department in which the documents are stored.

#### REAR OF THE ENVELOPE INSCRIPTION

Mr Quigley

I enclose two envelopes containing classified papers.

The envelopes bear the inscription that they are to be opened, only in the occurrence of and in the presence of the secretary of the department. They are to be held in the strong room under your care along with other delicate papers which are your charge.

Files should be inscribed as follows:

1. Death of Prime Minister Harold Holt: Personal papers

Geoffrey Yeend: Secretary

#### FRONT OF THE ENVELOPE INSCRIPTION

Opened by me on 13th 4th 1984 to check papers in relation to allegations made by Mr R. Titcombe.

Nothing of relevance found.

Opened by me on 5th of 6th 1985 in relation to correspondence William McMahon re: 1967 papers on the Clifford Taylor visit. Nothing found.

It is well worth noting that once again Ronald Titcombe's name resurfaces on a secret document in such notable company as William McMahon, a former Prime Minister of Australia, and Harold Holt's treasurer. Historically these very sensitive documents have only ever been opened twice since Holt vanished off Cheviot Beach in 1967. However, one high-ranking politician claims to have copies of the incriminating documents but will only release them at the time of his own death; this would be one Malcolm Fraser. Hence there is no doubt that these documents exist and that Maurice Bernard Houghton was very aware of them, as can be clearly shown in an incident that occurred when Houghton visited CIA officer Edwin Wilson's office in Geneva and left a briefcase with documents for safekeeping and promptly left. Soon afterwards, a witness saw Thomas Clines going through the briefcase at Wilson's office and remove papers that referred to him and General Richard Secord. A few hours later Michael Hand showed up in the office and upon reading the document went into a frenzied state saying 'We've got to keep Dick's name out of this!' A verbal scuffle ensued and the witness stated that 'He warned them that unless they did as they were told they could finish up with concrete shoes and would be liable to find their wives being delivered to them in pieces.' It is clear that Ky's evidence heavily implicated them all. It is just a question of time before the incriminating documents surface.

A good example of this kind of slow release of older intelligence can be found in recent times when a

secret document surfaced relating to the intended use of deadly VX and sarin gas on Australian troops

## AGENT ORANGE AND GULF WAR SYNDROME

Newly declassified Defence and Prime Minister's office files show that the US was strongly pushing Harold Holt's government in the 1960s to allow tests of two of the deadliest chemical weapons ever developed—VX and GB, better known as sarin nerve gas. The files show that in July 1962 the then US Defense Secretary Robert McNamara wrote in secret to the Australian Defence Department suggesting joint testing of chemical weapons 'on a classified basis without a public release by either country'.

In early 1963 a survey team of Australian and US scientists reviewed sites in Australia for chemical warfare tests, suggesting the remote Iron Range rainforest near Lockhart River in far north Queensland as one such location. It says the top secret plan involved allowing 200 mainly Australian combat troops to be aerially bombed and sprayed with the chemical weapons. Peter Bailey, a former senior official with Mr Holt, stated that the request caused consternation in Canberra, and as far as he knows the tests never went ahead. But he says planning was very advanced in the US, which wanted the operation to be kept secret because the weapons were illegal under international law.

In October 1964 the Americans pushed the request again, this time insisting that the public should be fed a 'cover story' to conceal the real nature of the tests: the documents show the public was to be told the tests were to test equipment for land reclamation in a jungle environment. Low-flying military aircraft and spraying was to be explained away with the false claim that low-risk herbicides and insecticides were to be used in the testing but the cover stories were clearly untrue. The real chemicals to be used were two of the most deadly man-made substances-VX and GB nerve gas. This indicates that the so-called phantom symptoms suffered by Vietnam veterans and attributed to 'Agent Orange' herbicide spraying in Vietnam are likely to have been low-level VX and sarin nerve gas experiments, effectively a war crime committed by Robert McNamara and the Department of Defense in the US against its own and allied Australian troops.

In typical fashion McNamara stated in the documentary 'The Fog of War' that he can't remember signing documents that authorized the use of Agent Orange in Vietnam, and that he abhorred the utilization of nerve agents completely. However, recently released documents prove that McNamara wanted VX and sarin gas tested on Australian troops within Australia itself. This certainly shed light onto similar symptoms experienced during the initial Iraq invasion of the 1990s and described as 'Gulf War syndrome'. Veterans suffering this scourge were told they had post-traumatic stress syndrome, clearly a lie. Obviously the US Department of Defense and its intelligence branches had little regard for Australia, and Holt's chant of 'All the way with LBJ' should make any Australian sick to their stomachs when one considers the lives lost supporting the US and its war in Vietnam. In the end it was, metaphorically speaking, LBJ that killed him.

## MOBILE BANKS: BLACK OPS

The CIA, having standard operating procedures for establishing fronts or operations that outwardly



present themselves as legitimate private or governmental enterprises, usually had plenty of warning that those schemes would collapse. Much like a gypsy campsite, they simply packed up and moved on. In order for the new money laundering operation to be successful, certain ground work had to take place in the Australian political scene of the times. It didn't take them long to discover that Holt was going to be something of a problem, so he had to be removed from office one way or another. The biggest problem the CIA faced was Holt's relationship with Lyndon B. Johnston and the fact that Holt so far had backed America in the Vietnam War. The Vietnam War was no closer to solution and Holt announced an increased Australian commitment, including national service conscripts, to support the US in the war against communist North Vietnam. Holt's expansion of troops from the initial 1,500 of April 1965, to 8,000 in October 1967, met with at times violent public opposition in Australia. The government's share of the popular vote of 50 per cent in 1966 fell to 42.8 per cent at a time when hostile anti-Vietnam demonstrations were clearly unsettling him. The CIA found the political foothold they needed in Holt's own government, and was a weakness that they exploited to its fullest potential. The recent referendum that granted Australian aboriginals the right to vote had infuriated John McEwen, the Deputy Prime Minister, and many other members of parliament who were long-time supporters of the continuation of the 'White Australia' policy of pre-Menzies Australia. Public opinion had changed since World War II and the Korean conflict, and human rights issues were flourishing in the US and around the world. The aboriginal right to vote was an issue that the Country Party had long avoided owing that its constitutions were predominantly farm owners and traditionalist Anglo Saxon Australians. McEwen and Gorton saw events in the US as a warning against allowing a black minority vote, fearing a similar 'black power' movement arising in Australia. Black Power as a political idea originated in the Student Nonviolent Coordinating Committee (SNCC) in the mid-1960s. By 1965 many SNCC workers, frustrated at American southern whites' continued resistance to black civil rights, believed that any future progress could come only through independent black political power—not something that hard-line Australian Country Party members were very keen to allow to happen in this country.

Openly McEwen and Gorton had no choice but to support the referendum, apparently backing Holt on the decision, but inwardly they resented him for it. McEwen was already at constant odds with William McMahon over welfare issues and moving away from traditional British ties. The last thing he and Gorton needed was a prime minister from their own government with the same 'bloody commie' policies as Billy McMahon. Journalist Alan Reid asserts that Holt was being increasingly criticized within the party in the months before his death, that he was perceived as being 'vague, imprecise and evasive' and 'nice to the point that his essential decency was viewed as weakness'.

In May, increasing pressure in the media and within the Liberal Party forced Holt to announce a parliamentary debate on the question of a second inquiry into the 1964 sinking of HMAS Voyager, to be held on 16 May 1967. The political scene provided the CIA with a perfect opportunity to remove Holt from office when they learned of Holt's personal interests and the regular locations he visited when not fulfilling his duties as Prime Minister. They also learned the whereabouts of the incriminating documentation through a gentleman by the name of Peter Abeles, who in turn had been informed that Holt kept the files in his personal briefcase from the then union president Albert Monk, a supposed

friend of Holt despite his position in the ACTU.

The CIA organised through ASIO for Maurice Bernard Houghton and, later that year, Michael John Hand to be brought into Australia to 'tidy things up' prior to the establishment of the new CIA front being formed. The two operatives were granted passports with the assistance of elements inside ASIO. This would be the last year in Harold Holt's life, having thrust Australia towards more open relations with south Asia and cementing ties with the US, which had in effect opened the doors for just such an operation.

Australia's geographical location made it a perfect candidate to further the CIA's plans in affecting political change in Jakarta. Unfortunately, information that Holt had obtained from Nguyen Cao Ky, as well as notable figures such as Ferdinand Marcos and even the pro-Western prince of Laos, Souvanna Phouma, made the option of implementing such change almost impossible.

Correspondence from Souvanna Phouma was left in Holt's briefcase even after it was pillaged upon his death. If those documents surfaced, CIA drug running and illegal arms dealing operations in Laos and even Indonesia would be left completely exposed.

Upon Holt's death, just prior to the Castle Bank collapse, a small merchant bank based in Australia, operating off shore between Australia and Southeast Asia, suddenly mushroomed into a global network of banks, acquiring Latin American and European structures that had belonged to Castle Bank. Initially the bank's name was Australian and Pacific Holdings but eventually became known as the Nugan Hand Bank. The bank established itself very quickly in the 1970s after the death of Holt in 1967. The list of supposedly ex-CIA and military personnel the bank employed is impressive to say the least, for example the former Director of Central Intelligence, William Colby, became the legal counsel of Nugan Hand Bank.

The bank was founded by Frank Nugan, an insecure and incompetent Australian lawyer, and by Michael John Hand, a man with a high school degree who had gone to Vietnam with the Green Berets. He had served in Laos in the 1960s as a contract CIA operative, fighting with some of the people who became very prominent in the CIA's privatized operations: Thomas Clines, Theodore Shackley, Richard Secord and Admiral Earl Yates, retired chief strategist for the US Pacific Command, who served as president of the Nugan Hand Bank. Through the admiral's influence, a succession of senior appointments followed: General Leroy J. Manor, former Pentagon counterinsurgency specialist and chief of staff of the US Pacific Command, manager of the bank's Manila branch. General Edwin F. Black, former OSS officer and commander of US forces in Thailand, president of Nugan Hand, Inc, of Hawaii, Dr Guy Parker, Asia expert for the Rand Corporation, a research firm under contract to the US Defense Department, bank consultant. Of the thirty-seven listed shareholders, four had the address 'care of Air America' whereas another had the address 'care of Continental Air Service'. Later both Air America and Continental Air Service were exposed as a CIA fronts. Five shareholders were reachable through the US Agency for International Development, an agency well known as a cover for CIA covert operatives.

In his last days as Prime Minister, Holt was said to be becoming depressed due to his government's in-fighting and the death of his brother Clifford Holt. Clearly this so-called depression had more to do with Holt's realization that he was being used not only by the US government but also by his 'close

friend' Allen Chase.

In the end it was a combination of events that led to Holt's arrival at Cheviot Beach on Sunday 17 December 1967. Nedeljko Gajic was extradited back to Yugoslavia following his failed attempt on Holt in 1967. Michael Hand had arrived in 1967, Maurice Bernard Houghton had arrived in 1967, Clifford Holt (Harold's brother) died in 1967 and Holt was dealing with a storm of controversy in his own government in 1967, including the loans affair and the VIP aircraft controversy. Clearly pressure was being mounted on Holt knowing that he would retreat into his personal habit of getting away from the pressure by attending his holiday home at Portsea. People within his government knew where he was going and Allen Chase knew where he was going. This can also be shown in personal correspondence, held at the national archives, between Holt and Chase. The coincidental arrival of Alan Stewart and John Macintosh at Marjorie Gillespie's home was no coincidence at all. Gillespie's husband was threatening to go public with her and Holt's ongoing affair, indicating that all was not well within the Gillespie home. So why would Alan Stewart and a stranger, John Macintosh, be hanging around their home at such a volatile time?

#### THE WHOLE TRUTH AND NOTHING BUT THE TRUTH

Some years prior to Holt's killing, ASIO produced a series of documents, now housed at the national archives, that made background checks on all governmental employees mandatory. These checks were, amongst other reasons, to ensure that no homosexuals worked in high responsibility positions for fear of national security breaches.

**SECRET**

5th September 1964

Brigadier Sir Charles Spry CBE DSO

Dear Sir Charles

I attach for your information a copy of Cabinet decision no.432 on submission number 199 by the Attorney-General dealing with persons with serious character defects as security risks.

The decision is written in terms approved by the Cabinet. There are however certain supplementary points from the Cabinet discussion which I should pass onto you. One relates to paragraph (a) of the decision. The Cabinet asks that this be given a future as well as current construction. The paragraph states that a homosexual person should not be employed in a position if it may give him or her access to highly classified information. But the Cabinet would wish in addition that such a person would not be appointed to a position which, although it may not in itself be sensitive, would, in the normal course, lead to positions which would provide access to highly classified information. It is partly and in fact largely, because this paragraph is to be taken as comprehending the future as well as the present, that the section dealing with recruitment was omitted.

The other is that the government wishes 'quiet instructions' to be passed to the heads of departments so that they will be informed of the seriousness of the risks described in the submission, and so that they might put themselves in a position to apply the instructions in their departmental administration.

The preamble refers to conveying the decision to you and the chairman of the public service board. It

being the intention of Cabinet that you and the chairman together should consider the means of passing the decision on to the heads of departments on 'quiet instruction' lines.

Yours sincerely  
E.J. Bunting

The Cabinet decision suggests that these persons be removed from office and/or refused employment due to their so-called 'low moral fibre'. Rest assured these checks were diligently followed through by ASIO operatives, and what they found had posed Brigadier Spry, head of ASIO, quite a large problem. For it seems Harold Holt was not quite the ladies' man history would have you believe, and in fact that day at Cheviot Beach was the sum and total of an operation to draw him into the lethal trap devised to remove a suspected homosexual from the office of Prime Minister of Australia.

There were never four witnesses to Holt's drowning. There was only ever one, as the original press report suggested, and indeed it was Alan Stewart, who was himself a gay male. He had gone alone to Cheviot Beach with Harold Holt to meet and to be with each other on that fateful day. Indeed Marjorie Gillespie was a close friend of Holt, but there never was a sexual relationship between them. The stalwart acceptance and indeed admittance of Holt's womanizing by his wife Zara was a far better outcome for her than to openly admit that Holt was actually a homosexual. The ASIO report had detailed Holt's male affairs, and also those of William McMahon, whose marriage to Sonia McMahon was the most obvious of shams of which even the public of the day were aware. This was the true reason McEwen could never support McMahon to succeed as Prime Minister.

Spry, who had fostered a tolerance for Croatian militant groups in Australia based on Australia's anti-communist stance and the knowledge that the groups were in the main Catholic orthodox, leaked the information that Holt was homosexual to them. This leak had set in motion the first attempt on Holt's life in 1966 by Nedeljko Gajic, an assassination attempt that has been thoroughly covered up until this very day.

This work has uncovered papers housed in the national archives that denote Croatian violence in Australia, including an original manuscript denoted as Cabinet submission ANNEXURE 896, that notes an attempt to assassinate Holt and reads as follows. "19th November 1966. Man arrested at Parliament House for alleged intended assassination of Mr Holt." And yet Gajic's own police report states that he was arrested in Braidwood NSW on 17 November 1966, a full three days before this attempt on the 19th. Both these documents conform with the supposedly debunked claims of Mrs Dalton. The actions of these Croatian militants were born of religious fervour and not in the least politically motivated, exactly as Brigadier Spry knew they would be, thus granting plausible deniability and achieving a quick end to Holt. As history notes Gajic's plot was a dismal failure and as such was quickly and effectively swept under the carpet.

The fact that Holt was alone on the beach with Stewart that day is indicated by the inconsistent reports by fabricated witnesses of the actual conditions at Cheviot Beach on 17 December from 10.30 am, as described in the military report, and between 11.30 am to 12.45pm as described in the police report and Stewart's now uncovered original statement. Tony Eggleton, Holt's press secretary, even



admitted Holt was alone and swimming with a male on national television prior to the writing of the fictitious police account. Stewart himself was set up by Lt Cdr Ronald Titcombe, MBE, under the direction of NSW regional director of ASIO Leo Carter, himself under orders from Spry. Titcombe had found out that Stewart was homosexual during his date with Stewart's sister. It was this leverage and Stewart's friendship with Gillespie that eventuated in Stewart becoming the bait to get Holt alone on the beach at a preordained time, and into the crosshairs of the two snipers West and Fisher that day. There is even news footage of the military rescue vehicle being escorted from Cheviot Beach, transporting the two shooters away from the area. An ASIO armed guard is also in the news video, seen as the vehicle speeds away from the scene.

### CHAOS THEORY

The death of Harold Holt had a ripple effect that plays itself out in events taking place around the world to this day. Once the powers that be decided to use Australia as a beachhead for political and financial power broking, successfully doing so in the absence of Holt's evidence, the world had changed forever. From the establishment of the Nugan Hand Bank, the money laundering, munitions purchases, political buy-off mass killings, drug smuggling and ultimately the Iran Contra conspiracy with all the branching effects that were felt because of it, the assassination of Harold Holt changed everything. And to add salt to the wound those involved got away with it.

On 17 December 1967 at 11.45 am, as Harold Holt, the Prime Minister of Australia, waded into those chilling waters off Cheviot Beach in Portsea, Victoria, he had no idea that he was being targeted by two military personnel some distance away on the clifftops above him. This would be the last few moments in Holt's life; he would never be seen again, alive or dead. Harold Holt was presumed drowned one day later. His successor was to be Liberal deputy leader William McMahon. However, on 18 December, the Country Party leader and Deputy Prime Minister John McEwen announced that the Country Party would not continue to serve in the coalition if McMahon were to be the new Liberal leader. His reasons were never stated publicly, but in a private meeting with McMahon, he said 'I will not serve under you because I do not trust you.' McEwen's comment is generally presumed to mean that he distrusted McMahon because the treasurer was accused of leaking sensitive information to journalist Maxwell Newton concerning trade with Japan. In fact McEwen was referring to a phone call that McMahon made to Holt on the day the Prime Minister vanished at Cheviot Beach.

McMahon was trying to warn Holt of an impending plot against him. The call on the morning of 17 December was remembered by Holt's housekeeper and also by Sonia McMahon, the treasurer's wife, as being a matter of fact. The call in question was later denied as having taken place by William McMahon, however in the documentary 'The Prime Minister is Missing' the call is discussed by McMahon's wife as being factual.

Antipathy towards McMahon was hinted at soon after the crisis by the veteran political journalist Alan Reid. According to Reid, McEwen was aware that McMahon was habitually breaching Cabinet confidentiality and regularly leaking information to favoured journalists. McEwen was installed by the Governor-General as caretaker Prime Minister, and in the subsequent leadership struggle, John Gorton was heavily supported for the permanent position of Prime Minister, and some say even

championed by then Army Minister Malcolm Fraser to become Liberal leader. Fraser developed an early reputation as a right-winger, and he had a long wait for ministerial preferment. He was finally appointed Minister for the Army by Harold Holt in 1966 (the same year Gajic made his attempt on Holt's life at Parliament House), only the second time in Australian history that such a ministerial position existed. In that capacity Fraser had total control over any matter pertaining to the army specifically, and placed him in an ideal position if, for instance, he wished to organize a coup (hypothetically speaking).

Under John Gorton, Fraser became Minister for Education and Science, and in 1968 he was made Minister for Defence, later denouncing Gorton as 'not fit to hold the great office of Prime Minister', an astonishing turn around. This is another part of the key to understanding why Harold Holt was killed that day. When Malcolm Fraser finally became leader of the opposition against Gough Whitlam's government he maintained the services of Harold Holt's press secretary Tony Eggleton, the same man who had taken control of the chaotic media releases after Holt's death and prior to the writing of the official police report.

Letters housed in the national archive indicate a constant struggle between Fraser and Whitlam over access to classified material coming from ASIO involving Australian troop movements in Vietnam, as well as issues taking place on Australian soil at the time. In many of these letters Fraser's frustrations over access to classified material is quite evident, as is Whitlam's distrust of Fraser. Whitlam's government had maintained from its inception a distrust of American interests in Australia and also its motivation in maintaining the conflict in Vietnam. Under his government Australian troop commitments in southeast Asia would finally begin to dwindle. This was something that the American government did not approve of, and nor for that matter did Malcolm Fraser. It was this anti-American stance that ultimately spelled the doom of the Whitlam government.

Fraser would later play a key role in the removal of Gough Whitlam from power. Just before Whitlam was dismissed from office he got a letter from Hawaii which contained a copy of the message which was allegedly sent to Fraser. The message contained instructions which should be decoded before transmission by calling a certain number, which turned out to be the Hawaiian headquarters of the CIA. Ray Cline of the CIA implemented a William Colby plan to oust the publicly-elected Australian Prime Minister Whitlam. The day the Whitlam government was removed from office a news report showed footage of the Governor-General Sir John Kerr's speech in which can be heard members of the public shouting 'WE WANT GOUGH, WE WANT GOUGH' in the background. The Governor-General's speech was as follows: 'I, Sir John Robert Kerr, The Governor-General of Australia, do by this my Proclamation dissolve the Senate and the House of Representatives. Given under my Hand and the Great Seal of Australia on the 11th of November 1975, by His Excellency's command, Malcolm Fraser as Prime Minister. God Save the Queen!'

Sir John Kerr's background prior to the Whitlam dismissal clearly shows his allegiance to the CIA and Australian intelligence agencies. In 1966 Kerr was appointed a judge of the Commonwealth Industrial Court and, later, to several other judicial positions. During this period his political views became more conservative. He joined the Association for Cultural Freedom, a conservative group (later revealed to have received CIA funding). He spent World War II working for an obscure Australian intelligence

organization, the Directorate of Research and Civil Affairs. In 1964 Kerr was the first chairman of the Law Association for Asia and the Western Pacific (LawAsia), yet another CIA-funded organization. From Whitlam's dismissal onwards, the CIA finally had who they wanted in public office in Australia. Nugan Hand had free reign to begin its illegal activities ciphering money from around the world into CIA coffers, and financed payoffs to Malcolm Fraser and Sir John Kerr. In details of a Swiss bank account held by John Kerr it shows that he received his first pay-off of \$US200,000, credited to his account number 767748, at the Singapore branch of the Nugan Hand Bank. A joint bugging operation commenced between the CIA and ASIO not long after the reported payoff.

In the spidery web of the Nugan Hand Bank CIA operations in Australia, Malcolm Fraser would end up as Prime Minister and in 1976, under his government, Australia would recognize Indonesia's illegal annexation of East Timor. Fraser flew to Jakarta and said his government acknowledged Timor's merger with Indonesia, but 'only for humanitarian reasons'. Accompanying Fraser was J.B. Reid, a senior executive of BHP, which had just acquired a controlling share in the Woodside-Burma company, then drilling for oil in the Timor Sea. This situation explains why Australia had an interest in continued unrest in East Timor, as it allowed an opportunity to gain access to massive oil reserves that were well outside of Australia's area of control. These tactics are fairly typical in Western world politics. A mechanism to establish political unrest in countries that are rich in certain resources is established through the use of intelligence agencies like the CIA. This scenario remains remarkably unchanged, as can clearly be seen in the events leading up to Australia's involvement in the so-called coalition of the willing's invasion of Iraq, where once again the people put in charge of the country laid down to US interests that wanted control of the dwindling resource known as crude oil. Christopher Boyce, the convicted KGB spy who was in a relay point for information from the CIA, at his trial said that 'If you think what the Agency did in Chile was bad, in which they spent \$80 million overturning the government of Chile there, you should see what they are doing in Australia.'

#### IN THE END?

Perhaps ironically, *Time* magazine's coverage of Holt's death stated 'The news hit Australia and the world like the slam of a bullet.' How very true. As for the actual men who killed Harold Holt, the soldiers poised to shoot him dead from the cliffs above? They were merely tools: a means to a political end. The soldiers were simply given orders which they obediently followed as they were trained to do. They had no idea who the target was and they didn't care. Although this is in reality a poor and unacceptable excuse for murder and a failed defence ploy used in the trials of Nazi war criminals, it is an accepted fact that people in the military are trained to obey. For that is how and why the military functions. It is for history to decide who is right and who is wrong. It was Holt's own personal history of habitual diving that contributed to his demise. A creature of habit makes for a very easy target. Killing Holt was very much like the proverbial shooting of fish in a barrel. The people responsible probably thought of that very line when orchestrating the plot with certain members of the intelligence community and elements of the military hierarchy in Australia.

Everything that Harold Holt was or would ever be was removed from the face of the earth for all eternity. He would be relegated to a tragic footnote in Australian history, an unfortunate drowning

accident. Not even his mortal remains would be seen by his family to help them mourn his passing. The conspirators had taken their lessons well from the assassination of Kennedy four years earlier. The Australian public would not tolerate a similar incident in this country. If Holt was openly killed the turmoil that followed would rip Australia apart both socially and politically. The political climate would have reached boiling point, rendering Australia's simple unquestioning loyalty to the US moot. Holt had pushed industrial and natural-resource development programs that continue even still to raise the country's gross national product; he also made Australia a major world supplier of iron ore, bauxite and alumina and more importantly uranium, needed by America to support its nuclear industry, and stepped up production of the copper, lead, zinc and coal that it has long produced. By the early 1970s, the government expected to be exporting to America \$1 billion worth of minerals alone. America would have lost out hugely if Holt's killing was discovered by the Australian public. And although Holt's body was originally supposed to resurface a few days after his death, in a tragic sense, for those responsible it actually worked out for the better that Holt's body vanished. After all, if there was no corpse to examine very few real questions could be asked. All they would have to deal with would be petty assumptions with little or no physical evidence. As it eventuated Harold Holt, on that day in 1967, was simply and successfully erased from the world.

As a direct result of his death Michael John Hand, Maurice Bernard Houghton and the CIA, via the Nugan Hand Bank, managed to launder one billion dollars per annum, the equivalent of the gross annual product of a small Western country. In the true fashion of political intrigue, by the time the Nugan Hand scandal came to public light and a Royal Commission was established, Hand had tried to flee the country and was supposedly dealt with by the sniper known as Denis West, Nugan was dead, shot by Hand, Billy King, Hand's helicopter pilot, had been thrown off a ten-storey building, Houghton had vanished, Leo Carter had died, Titcombe had died and the entire CIA board of directors hid behind their puppet masters back in Washington. The Australian parliament was ablaze with debate and playing their usual blame game, though some of the political debate is of interest, especially the comments tabled by the then leader of the opposition Bill Hayden, who made the following critical statement concerning the official Royal Commission into the Nugan Hand affair:

People cannot be blamed for being disturbed when they see those sorts of reports, bluntly declared, publicly committed by these people. Let us look at Nugan Hand and the reason for concern. Bernard Maurice Houghton, an intelligence operative of the United States, is a man who apparently has entry to and exit from this country without the necessity for a visa. He arrived in 1972 without a visa. What did he recommend so that he could get into the country? He recommended that the appropriate authorities at the port of entry contact the head of the New South Wales branch of the Australian Security Intelligence Organisation. That was done. He was allowed in. Edmund Wilson was able to move in and out of this country in spite of being of quite unsavoury character. He is an intelligence operative of the worst type, in the worst areas of intelligence operations and reputedly tied up with the United States naval intelligence. He has been in and out of this country several times and he is an associate of Houghton, a man allegedly involved in quite questionable commercial transactions which could only undermine administrations in other countries.



What about the file on Nugan Hand which is held by the Federal Bureau of Investigation? That file, under the American Freedom of Information Act, is accessible but large areas of it are completely blocked out on the grounds of national intelligence requirements. I ask the Minister not to stand up and give a declaration but to give us some hard facts on this because I understand that the police task force was impeded by the Fraser Government in its frequent requests for support to obtain access to the intelligence portions of the FBI file. These are some of the facts that need to be tested.

Hayden's colleague Mr Lionel Bowen was no less blunt in his questions to the then Fraser government:

One of the questions that arises is how Mr Houghton came to Australia. If we take a close look at this report we will find that according to Houghton he entered Australia from Saigon in 1972. He was allowed to stay because of a telephone call to one of our Australian Security Intelligence Organisation representatives, Mr Carter, who is now dead. I think it would be well known in intelligence circles—it would be well known, for example, by the Australian Secret Intelligence Service, which certainly had a base in Saigon—that if Houghton was leaving that area for Australia and if he was engaged in intelligence activities for the CIA he would be given a clearance when he arrived in Australia. I think it would be a matter of record that our own intelligence agencies in Saigon indicated to our own intelligence agencies in Australia that Houghton should be allowed in, which he was as a result of a telephone call to Mr Carter. I do not think the whole issue should be put on the late Mr Carter. Certainly our intelligence agencies would have known when Houghton left Saigon. I think that is very clear indeed. The interviewer went on to say that Michael Hand, an American Green Beret who served two tours in Vietnam—one for the Central Intelligence Agency—had disappeared and was now believed to be dead.

And finally there is the official Fraser Government response to the questions of Senator Nick Bolkus, who asked the Attorney-General, on 16 March 1982:

1. Has the Australian Security Intelligence Organisation ever conducted a security clearance or any other investigation for a United States citizen, Maurice Bernard Houghton; if so, when was this done and under what circumstances was it initiated?
2. Was such a security clearance, if it exists, used to grant Mr Houghton entry into Australia in February 1972, despite the apparent invalidity of that person's re-entry visa?
3. Does the Australian Security Intelligence Organisation carry out security checks on persons coming to Australia to establish restaurants?
4. If a security investigation into Mr Houghton was carried out by the Australian Security Intelligence Organisation, has such a report been reviewed since it was first drawn up?
5. Has the Australian Security Intelligence Organisation, or any other Australian investigating body, interviewed or attempted to interview Mr Houghton since he last returned to Australia, reportedly in August of 1981; if so, what were the nature of any interviews?
6. Has Mr Houghton been approached in regard to any investigation currently underway into the

operations of Nugan Hand Limited?

The Attorney-General, Senator Durack replied:

The answer to the honourable senator's question is as follows: Insofar as the question refers to alleged conduct by the Australian Security Intelligence Organisation, I adhere to the long standing practice of successive governments neither to confirm nor deny allegations that may relate to matters of security. I am informed in relation to parts 5. and 6. of the question that the Australian Federal Police interviewed Mr Houghton in Sydney soon after his return to Australia in October 1981 and that the Commonwealth/New South Wales Joint Task Force on Drug Trafficking interviewed him in Sydney in November 1981 and February 1982. It would not be appropriate to disclose the nature of those police inquiries.

Senator Bolkus also asked the Attorney-General, on 20 April 1982:

1. Has the Australian Security Intelligence Organisation carried out an investigation into the affairs of Nugan Hand Ltd?

2. Was this investigation taking place at the same time as an investigation into the Organisation by the Federal Police's narcotics bureau?

3. Did ASIO's investigation of Nugan Hand in any way cause the 'cooling off' of inquiries and the suspension of overt enquiries by the Narcotics Bureau.

Senator Durack:

The answer to the honourable senator's question is as follows: In accordance with long standing practice of successive governments, I neither confirm nor deny the statements concerning alleged operational activities of the Australian Security Intelligence Organisation.

#### FALLOUT: HOLT, LINE AND SINKER

'The CIA's aim in Australia was to get rid of a government they did not like and that was not co-operative ... it's a Chile, but in a much more sophisticated and subtle form.'

Victor Marchetti, ex-CIA officer, 1980

'We were told that the Australians might as well be regarded as North Vietnamese collaborators.'

Frank Snepp, CIA officer stationed in Saigon at the time of the Agency's covert activities against the Whitlam government.

'There is profoundly increasing evidence that foreign espionage and intelligence activities are being practiced in Australia on a wide scale ... I believe the evidence is so grave and so alarming in its implications that it demands the fullest explanation. The deception over the CIA and the activities of foreign installations on our soil are an onslaught on Australia's sovereignty.'

Gough Whitlam to the Australian Parliament, 1977

On 2 December 1972, Australia's first Labor Government for twenty-three years was elected. The new Prime Minister, Edward Gough Whitlam, quickly set about a series of historic legislations: wages, pensions and unemployment benefits were increased, equal pay for women was introduced, a free

national health service was established, spending on education was doubled, university and college fees were abolished, and legal aid became a universal right. The Federal Government assumed responsibility for Aboriginal health, education and welfare, and the first land rights legislation for Aborigines was drafted. Cultural initiatives for women, Aborigines and immigrants were set up. Imperial honours such as knighthoods and MBEs were scrapped. The 'Commonwealth Government' was renamed the Australian Government and an Australian anthem replaced 'God Save the Queen'. Conscription was ended. Australian troops were withdrawn from the Vietnam War and men imprisoned for draft evasion were released. Australian ministers publicly condemned the American conduct of the Vietnam War. The US bombing of Hanoi during Christmas 1972 was denounced as the work of 'maniacs' and 'mass murderers'. Deputy Prime Minister Dr Jim Cairns called for public rallies to condemn the bombing and for boycotts on American goods. In response, Australian dockers refused to unload American ships. Whitlam himself warned the Nixon administration that he might draw Indonesia and Japan into protests against the bombing. The Australian Government also pressed for support for the Indian Ocean Zone of Peace, which was opposed by the US, and spoke up in the United Nations for Palestinian rights. The French were condemned for testing nuclear weapons in the South Pacific, and refugees fleeing the CIA-backed coup in Chile were welcomed into Australia (an irony in the light of Washington's retaliation against Whitlam).

The CIA's alarm over the Australian Government rose to a fury when, in the early hours of 16 March 1973, the Attorney-General, Lionel Murphy, led a raid on the Melbourne offices of ASIO. Murphy and Whitlam were concerned about ASIO's involvement with local fascist Croatian groups that had carried out terrorist acts in Australia and against Yugoslav diplomats abroad. Set up under the auspices of the UKUSA Treaty in 1949, ASIO had distinguished itself by not uncovering a single spy or traitor (this is still the case), yet it had become almost as powerful in Australia as the CIA itself. ASIO had a secret pact of loyalty to the CIA and helped to set up and maintain secret police organizations that kept files on all Australian Labor Party members, prominent politicians, government officials, union leaders, members of the Council of Civil Liberties and anyone considered the slightest left of centre. Even prayer meetings for peace were watched and recorded. According to a top-secret report to a Royal Commission into Australia's secret services led by Mr Justice Hope, for decades members of ASIO handed over to the CIA slanderous information against Australian politicians and senior officials who they regarded unfavourably. This material ranged from accusations of subversive tendencies to concern about their personal lives, and allowed the CIA to work against these people in ways that ranged from blackmail to efforts to block their careers.

ASIO is run as an internal organization in Australia. The Australian Secret Intelligence Service, ASIS, operates abroad and is less well known. Code-named MO9, its existence was only acknowledged after the Labor Government came to power in 1972. ASIS played an important role in the CIA's covert activities against foreign governments in Southeast Asia. For example, after Cambodia's Prince Sihanouk broke off diplomatic relations with the United States in 1965, the CIA used ASIS to secretly carry out its work in the country for the next four years, despite official Australian policy being one of strict neutrality. After Sihanouk was overthrown in a CIA-inspired coup, American forces invaded Cambodia and the US carpet-bombing of the country—a bombing so intense that during one six-

month period in 1973, American B52s dropped the equivalent (in tonnes of bombs) of five Hiroshimas on the civilian population—served as a catalyst for the rise to power of Pol Pot and the genocidal Khmer Rouge. Extract from a top-secret ASIS document, describing the organization's activities. Whitlam also discovered that ASIS agents were working for the CIA in Chile, de-stabilizing the government of Salvador Allende, who was supported by the Australian Labor Government. Whitlam promptly ordered the ASIS officers home. However, some remained in Chile under Australian Embassy cover and without Whitlam's knowledge; Allende was subsequently murdered during the CIA-orchestrated military coup led by the dictator General Augusto Pinochet. The CIA's concern over the activities of the Whitlam government was due to the fact that Australia played a pivotal role in the United States' desire for covert influence over Indo-China. Some of the most strategically important and top-secret American bases outside the United States are located in Australia. These include the U.S. Naval Communication Station, North West Cape, on the northern coast of Western Australia, which transmits battle orders for the nuclear missile-carrying Polaris submarines. The most secretive Australian intelligence organization is the Melbourne-based Defence Signals Directorate (DSD) which is modelled on the American National Security Agency, NSA. The DSD spies for the U.S. in the Indian Ocean, the South Pacific and Southeast Asia. There is also the Joint Intelligence Organisation (JIO), established in 1970 under the supervision of the CIA's analyst division, and the Office of National Assessments (ONA), whose job is to co-ordinate and analyze Australia's extensive spying networks in the region. Most important of all is Pine Gap, near Alice Springs, officially described as an American-Australian "Joint Defence Space Research Facility", but in actuality it is an entirely American spy-satellite base, run by the CIA and the NSA. Pine Gap can pick up communications from almost anywhere in the world; its primary function is the collection of data from CIA sources and transmitters, and the preparation for nuclear warfare. So secretive were Pine Gap and the other major U.S. base at Nurrungar in South Australia that no details of their plans were revealed to successive Australian Prime Ministers and their Cabinets. Leaked Australian Defence Department documents disclosed that in 1972, high-frequency transmitters at North West Cape had helped the United States to mine Haiphong and other North Vietnamese harbors; and that satellites controlled from Pine Gap and Nurrungar were being used to pinpoint targets for the American bombing of Cambodia. These actions were taken entirely without the consent or knowledge of the Australian Government. William Corson, a former senior U.S. intelligence officer, also revealed that the CIA ran between ten and fifteen "black airfields" at their secret Australian bases during the Vietnam War, flying "hot" CIA agents from Vietnam for debriefing. In 1975, as the North Vietnamese captured control of South Vietnam, massive supplies of drugs that had been stashed by the CIA in Vietnam were flown into the secret U.S. airfields in Australia. The drugs were redistributed to "regional drug banks", thus providing a "reserve currency" for the Agency's global criminal activities.

The top-secret American base at Nurrungar, South Australia. In October 1973, during the Middle East War, President Nixon put U.S. forces on nuclear "Level Three" alert, through the base at North West Cape. Australia had become involved, without the knowledge of its government, in a war on the other side of the world. When Whitlam found out about this, he was furious and told parliament that although the Australian Government would honour agreements with America covering existing



spy stations, "there will not be extensions or proliferations." Whitlam's words were to have serious consequences for the fate of his government. A new American Ambassador was appointed to Australia—Marshall Green, widely known as "the coup-master". Green was a senior U.S. policy planner for Southeast Asia and had the distinction of being involved in several countries where the CIA had masterminded coups, such as Indonesia and Chile. Green visited the office of Clyde Cameron, a senior minister in the Whitlam government, and made the threat that if the Labor Government honoured one of its key election pledges to reclaim national ownership of oil refineries and other industries which had been mostly sold to American transnational interests, "we would move in." In early 1974, Green addressed the Australian Institute of Directors with a speech that amounted almost to an incitement to rise against the Australian Government. Green went on to say that Australian business leaders "could expect help from the United States, which would be similar to the help given to South America." (The CIA-sponsored coup in Chile had happened only a few months earlier). The CIA set about a programme of discrediting Jim Cairns, leader of the anti-Vietnam War movement. ASIO timed the leak of a defamatory "Cairns file" to the Bulletin magazine to coincide with Cairns' election to Deputy Prime Minister in 1974. This file claimed that Cairns "echoed communist views... and his activities could lead to the fascist cult of the personality... and to the destruction of the democratic system of government." A few weeks later, ASIO leaked a second file to journalist Peter Samuels, a regular publisher of CIA propaganda. Under the headline The Pathway to Terrorism, Samuels wrote that ASIO's prime concern about Cairns was the "terrorist" potential of his part in the anti-war movement. By the end of 1974, inflation and the money supply were rising at an alarming rate due to the dramatic rise in the cost of oil. Despite this, the Whitlam Government was determined to honour its election promise to hand control of U.S. multinational subsidiaries to the Australian people. In order to achieve this, Whitlam sent two of his ministers to scour the Middle East for a loan of \$A4 billion. In November 1974 Rex Connor, the Minister for Minerals and Energy, met with Tirath Khemlani, a Pakistani "commodities merchant" who was working for the London brokers Dalamal & Sons. Unknown to Connor, Khemlani was a con-man who had been sent to sabotage the Australian Government by a Hong Kong arms firm closely associated with Commerce International, a Brussels-based armaments company with widespread links to the CIA. (Commerce International was set up as a front for Task Force 157, the highly secretive CIA "dirty tricks" organization). In March 1975 Jim Cairns was introduced to Melbourne businessman George Harris, who told Cairns that a \$A4 billion loan was available from Commerce International with a once-only brokerage fee of 2.5%. Cairns considered the offer a fairy tale and rejected the deal. Harris then contacted Phillip Lynch, Deputy Leader of the opposition Liberal Party. When Lynch raised the question of the brokerage fee in parliament, Cairns denied that any such agreement existed. Within days, a letter with Cairns' signature was published on the front pages of the national newspapers and Cairns was forced to resign for "misleading parliament." Cairns steadfastly maintained that he never agreed to or put his name to such an outrageous and incriminating letter. A top-secret CIA briefing document for the US President dated July 3rd 1975 later revealed that Cairns had been sacked "even though the evidence had been fabricated." The CIA was involved in further activities designed to undermine the Whitlam Government. In July 1975 the Australian media reported

that the Mercantile Bank and Trust Company, based in the Bahamas, had issued a letter seeking \$4,267,365,000 "for and on behalf of the Government of Australia." The bank did not claim to be acting with the approval of the Australian Government and Cabinet ministers had never heard of it. But the implication was enough to fill the newspapers with another "scandal". Much later, an ASIO officer was to publicly state: "some of the documents which helped discredit the Labor Government in its last year in office were forgeries planted by the CIA." Mercantile Bank and Trust was set up and owned by the CIA's Colonel Paul Helliwell, who built up a network of banks, including the infamous Castle Bank, which collapsed after U.S. tax investigators found it was laundering drugs money for the CIA and the Mafia (see the Wake Up article Dealing in Death: The CIA and the Drugs Trade). As the loans affair reached its climax in the spring of 1975, a welter of supposedly incriminating documents forged by the CIA were given widespread coverage in the Australian media. Tirath Khemlani himself arrived in Australia with two bags bulging with more "incriminating" documents. Bodyguards provided by the opposition parties accompanied Khemlani and the CIA paid his expenses. Khemlani made outrageous claims in the media that Labor ministers had received commissions and "kickbacks" from the loans, that documents proving corruption were soon to be made public, and so on. In fact not one of these "documents" proved a thing; not one penny was paid by anyone to the government, nor did any minister profit from the affair. In 1981 a CIA contract employee, Joseph Flynn, revealed that he had forged some of the loans affair documents and had bugged a hotel room where Gough Whitlam was staying. He had been paid by Michael Hand, co-founder of the CIA's Nugan Hand Bank. Former Nugan Hand principal Karl Schuller provided evidence to Australian Corporate Affairs investigating officers that the CIA transferred a "slush fund" of \$A2,400,000 to the main opposition parties in March 1973, four months after Whitlam's election. An investigation by a special New South Wales Police task force concluded that "many links were found between individuals connected with Nugan Hand and individuals connected in very significant ways with U.S. intelligence organizations, specifically the Central Intelligence Agency and the Office of Naval Intelligence [Task Force 157]... at times those links have the appearance of the direct involvement of the U.S. intelligence community itself." The Commission called for criminal charges for "drug, conspiracy, perjury and passport offences." (A year after Frank Nugan's death, the Deputy Director of the CIA, Admiral Bobby Inman, expressed deep concern that the investigations into Nugan Hand Bank would lead to disclosure of a range of CIA dirty tricks calculated to undermine the Whitlam Government). It was revealed in the press that the CIA had offered the Australian opposition Liberal Party (the Liberals were actually conservative) "unlimited funds" in their unsuccessful attempt to defeat the Labor party in the May 1974 parliamentary elections. Former CIA officer Victor Marchetti confirmed that the CIA had funded both of the major opposition parties and that the Liberals had been receiving CIA funds since the late 1960s. According to the former Deputy Director of Intelligence for the CIA, Dr Ray Cline, the CIA passed information to opposition politicians not only to discredit the Whitlam Government but also to put pressure on Australian civil servants who in turn would pressure the Governor-General, Sir John Kerr. When the Pine Gap Treaty, which would determine the future of the CIA's most valuable overseas base, was due for renewal on December 9th 1975, Whitlam's comments that he might not renew the treaty raised major alarms in the Agency. CIA Director William Colby later wrote that the

"threat" posed by the Whitlam Government was one of the three "world crises" of his career, comparable with the Middle East war two years previously, when the United States considered using nuclear weapons. The CIA Station Chief in London, Dr John Proctor, contacted MI6 and asked for British help with "the Whitlam problem." William Colby directly approached his opposite number, head of MI6, Sir Maurice Oldfield, to emphasise to British intelligence that Australia was "traditionally Britain's domain" and that if Pine Gap was closed down, "the Alliance would be blinded strategically." The CIA also sought assistance from MI6 and MI5 liaison officers based in Washington. British intelligence has long had a vested interest in Australian politics. MI6 operates its own base at Kowandi, south of Darwin, where its highly secret activities are concealed from the Australian Government and people. They include widespread interception of communications and covert operations in Asia. The Australian Secret Intelligence Service, ASIS, also operates from this base and is highly integrated with British intelligence. At the same time as U.S. intelligence was targeting the Australian Labor Government, Peter Wright (of Spycatcher infamy) and his colleagues in British intelligence were busy destabilizing the British Labor Government of Harold Wilson. Wright conspired with his close friend, James Jesus Angleton, the extreme right-wing head of CIA counter-intelligence, to "target" the three Western leaders they regarded as "communist agents": Harold Wilson, Willy Brandt in Germany and Gough Whitlam.

After discovering that the British and American intelligence services based in Australia were secretly involved in Indonesia's invasion of East Timor, Whitlam ordered the dismissal of the heads of ASIO and ASIS in the autumn of 1975, and then began to make moves against the CIA. Then, at the beginning of November, it was revealed in the press that a former CIA officer, Richard Stallings, had been channeling funds to J. Douglas Anthony, leader of the opposition National Country Party, and was a close friend and former tenant of Anthony's Canberra home. Whitlam accused the opposition of being "subsidized by the CIA." In parliament, Doug Anthony admitted that Stallings was a friend but challenged Whitlam to provide evidence that Stallings worked for the CIA. (Stallings' name was not on the official list of "declared" CIA officers working in Australia, but on a "confidential" list held by the Permanent Head of the Australian Defence Department, Sir Arthur Tange). Whitlam prepared a reply, which he intended to give when parliament resumed the following week, on Tuesday November 11th. The CIA was frantic. The Australian Prime Minister was about to blow the cover of the agent who had set up Pine Gap and to reveal that the supposedly "joint" facility was a CIA charade. Furthermore, the future of the base itself was to be subject to parliamentary debate. The day before his speech was due, Whitlam was informed of a telex from the ASIO station in Washington, which stated that the Prime Minister of Australia was a security risk in his own country. The message had been virtually dictated by Theodore Shackley, head of the CIA's East Asia Division (and whose plethora of illegal covert activities have been outlined in other articles on this site). On Sunday November 9th, the Australian Governor-General, Sir John Kerr, was briefed on the "security crisis", while the head of the Defence Department declared publicly: "This is the greatest risk to the nation's security there has ever been." The CIA was certain that Whitlam would announce the cancellation of the Pine Gap agreement on December 9th, and set into motion a plan to install in power a political party to "protect the sanctity

of U S bases." Six weeks earlier, during a visit to Indonesia, opposition politician Andrew Peacock had briefed government officials there on the current state of the Australian political crisis. He described in detail a sequence of events that were about to take Australia by surprise. A record of his briefing was later read into Australian Hansard: "Whitlam will not agree to hold an election.... The Governor-General would be forced to ask Malcolm Fraser to form a Cabinet. But this Cabinet would not be able to get a mandate to govern, because parliament is controlled by the Labor Party.... Fraser is appointed PM, a minute later he asks the Governor-General to dissolve parliament, following which a general election is to be held." And that was exactly what happened. On November 11th, the day Whitlam was to inform parliament fully about the CIA and American bases in Australia, he was summoned by Kerr from Parliament House. Without warning, Kerr dismissed Whitlam as Prime Minister, dissolved both houses of parliament and appointed Malcolm Fraser, leader of the Liberal Party, to head an interim government until new elections could be held in December. An unelected official (whose position was traditionally only that of a figurehead representative of the Queen of England) had, in one arbitrary and unconstitutional act, overthrown a legitimate and democratically elected government. Back in the House of Representatives, Whitlam called for a vote of confidence in himself and his government. An overwhelming majority supported Whitlam. Indeed, six motions proposed that day, including a motion of no-confidence in Malcolm Fraser, were passed by absolute majorities. The Speaker of the House delivered parliament's clear message of confidence in the Whitlam government personally to the Governor-General. Kerr refused to accept it. The no-confidence motion against Fraser legally obliged the Governor-General to dismiss Fraser, but Kerr chose to ignore this. Former CIA officers who were among the Agency's "top seven" in 1975, revealed ten years later that "Whitlam was set up. The action that Kerr took was so extreme that it would take far more than a constitutional crisis to cause him to do what he did...." A Deputy Director of the CIA said, "Kerr did what he was told to do." During the first week of the coup, the Australian army was recalled to barracks and there were reports that units were issued with live ammunition. There were demonstrations against the sacking of the Labor Government throughout Australia; the unions began to mobilise and prepare for a general strike. However, Bob Hawke, the President of the Australian Council of Trade Unions (ACTU), summoned the press and delivered a stirring speech in which he said that "working people must not be provoked... we have to show we are not going to allow this to snowball." Hawke's intervention was critical: Australia's organised labour was strangely quiet in response to the affair. In fact Marshall Green later said that he found Bob Hawke so amenable to the CIA's cause that "Bob gave me his private telephone number and said if anything ever comes up that desperately needs some action, this is the number to ring." An election was called for December 13th 1975. During the campaign, three letter bombs were posted to Kerr, Fraser and the ultra-right-wing Queensland Premier, Johannes Bjelke-Petersen. Most of the press, led by Rupert Murdoch's papers, concluded that the bombs were sent by left-wing extremists within the Labor Party. There was not a shred of evidence to support this and no culprits were ever found, but the charge of "terrorism" was used to great effect against Labor. Four days before the election, Bjelke-Petersen called a special session of the Queensland Parliament to hear "dramatic revelations". He claimed to be "in possession of material which made clear that two Ministers of the Whitlam Government were due to receive



staggering sums of money as a consequence of secret commissions and kickbacks." Bjelke-Petersen then moved quickly to gag any debate and to prevent the Labor leader from arranging for parliamentary investigation of the "revelations". The undisclosed "revelations" made large headlines in the press. No material or evidence of any kind was ever produced, but the publicity achieved its goal. Whitlam lost the election. The new Prime Minister Malcolm Fraser renewed the Pine Gap treaty for another decade. He also offered Washington a naval base at Cockburn Sound, even though the Americans had not requested it. In his first budget, Fraser increased the size of ASIO and gave it more money, proportionately, than any other government body. Kerr was given an unequalled pay rise of 170% and was promoted to "Knight Grand Cross of the Order of St. Michael and St. George." The Governor-General of Australia, Sir John Kerr. Despite denying that he ever had any connections with the CIA or any other intelligence organizations, Kerr in fact had a long association with covert intelligence operations, firstly as a member of the top-secret Directorate of Research and Civil Affairs during the Second World War. He was then seconded to the Office of Strategic Services, OSS, the fore-runner of the CIA. Although he joined the Australian Labor Party early in his career, Kerr was always well to the right politically. He was chief legal adviser to the Industrial Groups, a body which sought to dominate trade unionism and was linked to the Democratic Labor Party (DLP), an extreme "anti-communist" organization whose split from the Labor Party and subsequent spoiler tactics kept Labor in opposition until the election of Gough Whitlam in 1977. Kerr was an active member of the Australian Association for Cultural Freedom, which was exposed in Congress in 1967 as being "founded, funded and generally run by the CIA." In the 1960s Kerr travelled to the United States to arrange funding from the Asia Foundation; that too, was exposed in Congress as a CIA conduit for money and influence. The trade union movement of Australia had long been infiltrated by U.S. intelligence. As John Grenville, assistant secretary of the Victorian Trades Hall, revealed, "it was generally accepted that the U.S. labour attaché was the station agent for the CIA." Robert Walkinshaw was the labour attaché from 1962 to 1964. During his time in Melbourne, a trade-union publication, Spotlight, was set up, funded and run by the CIA. Walkinshaw's subsequent CIA posting was Indonesia, during the military coup in which over half a million alleged communists were murdered. Walkinshaw was later posted as CIA adviser in Phuoc Tuy, Vietnam, where the Australian army and Australian CIA advisers were based. The CIA later admitted giving money to the General Secretary of the powerful Australian Worker's Union, Tom Dougherty, to "fight Communism in the AWU." Four years later the National Secretary of the Federation Ironworkers' Association, Laurie Short, began many visits to the United States, which were sponsored by the CIA. Short returned to Australia "determined to get rid of the Commies and their friends" from the Labor Party and the unions. He also delivered the clear message that "in America, the trade-union movement looked to Australian unionists to help counteract the spread of Communism in the Far East." The three Americans involved in supporting Bob Hawke's campaign for the Presidency of the Australian Council of Trade Unions (ACTU) - Emil Lindahl, Gerry O'Keefe and Ed McHale - all worked for the CIA. Gerry O'Keefe was exposed as a major CIA operator in right-wing Chilean unions that helped to overthrow the Allende Government. Ed McHale was U.S. labour attaché in the early 1970s and maintained a "close personal relationship" with Hawke when the ACTU President was one of the most powerful

union bosses Australia had ever known. McHale was internationally known as a senior CIA officer, having long been Assistant Director of Radio Free Europe, which had been set up, financed and run by the CIA. In 1977 the American Christopher Boyce disclosed details of CIA activities in Australia, specifically the manipulation of unions. Boyce was employed by a Californian aerospace company, TRW Systems Inc., in a cryptographic communications centre which linked CIA headquarters in Virginia with the Agency's satellite surveillance system in Australia. Boyce revealed that the CIA had infiltrated Australian labour unions, had manipulated their leadership and suppressed strikes, particularly those involving railroads and airports. Boyce described one instance when TRW had material and personnel to ship out to the CIA spy base at Pine Gap. The Agency was concerned that strikes at Australian airports could wreck their schedule. However, a telex from CIA headquarters said, "CIA will continue to suppress the strikes. Continue shipment on schedule." In other words, the CIA had infiltrated the hierarchy of Australian trade unions. Boyce and his associate Andrew Daulton Lee were put on trial in 1977 for selling U.S. secrets to the Russians. Lee had flown to the Soviet Embassy in Mexico and sold details of the CIA's covert activities in Australia to the Soviets. Boyce maintained that he had never intended the information to go the Russians, that Lee had agreed to make it public through one of his father's influential friends, but that he had been blackmailed by Lee, a heroin addict and pusher. Evidence emerged during the trial that most of TRW's communications came from Pine Gap and that although the United States had signed an Executive Agreement with Australia to share information from Pine Gap, the agreement was not being honoured and "certain information" was regularly concealed from the Australian Government. Boyce described the CIA's campaigns to subvert Australian trade unions "particularly in the transport industry", and revealed that the Agency was using Pine Gap to eavesdrop on telephone and telex messages to and from Australia of a political character, and that the CIA had funded the Australian opposition political parties. Boyce also revealed that the Australian Governor-General, Sir John Kerr, was referred to by Joe Harrison, the CIA chief at TWR, as "our man Kerr." Boyce's disclosures caused a sensation in the United States. The prosecuting lawyers made no attempt to refute his allegations but successfully objected to any further evidence about the CIA's activities in Australia. The judge complied with a direct CIA request and agreed that Boyce would not mention the "Australia information" at his trial if, in return, the government did not use it against him - such was the sensitivity of the matter. Boyce and Lee were both found guilty; Lee was given a life sentence, while Boyce was sent for "psychiatric observation" - an indication that he might be treated leniently in return for his silence. However, Boyce made it consistently clear that he was so outraged at the betrayal of an ally - Australia - that he intended to talk. He was subsequently given forty years in Marion Federal Penitentiary in Illinois, where he is kept in solitary confinement. Whenever he leaves his cell, he is manacled, handcuffed and accompanied by two guards. It is said that his only hope of release rests on his continued silence about what happened in Australia.

The American Christopher Boyce described CIA covert operations in Australia aimed at bringing down the Labor Government of Gough Whitlam. Boyce was sentenced to 40 years solitary confinement for his refusal to stay silent on the matter.

Five years after the overthrow of Whitlam, in April 1981, senior executives of nineteen Australian

corporations met at Melbourne's Noah's Hotel for a "forecasting round table" organized by Business International. Business International is a worldwide American organization of "consultants" which represents the top multi-national companies in Australia. In December 1977, the New York Times exposed Business International's clandestine links with the CIA. The nineteen had come to hear Business International's Alan Carroll express his concern about the resurgence of the Labor Party under Bill Hayden, who had held senior posts in the Whitlam Government and described himself as a republican and a democratic socialist. At that time, Bob Hawke had completed his term as ACTU President and was a newly elected Labor Party Member of Parliament. Carroll told the meeting that he knew Hawke "pretty well" and "basically, Hawke will be Labor Party leader by the middle of next year; and that's my business, and we won't go into that in any great depth. But he will be there. It's all under way. The game plan is totally under way and I forecast 3 to 5 on a Hawke Government in '83! We had a meeting with him about one month ago and we're meeting with him every six months from now. It's terribly important." A top-secret CIA briefing document for the U.S. President described Hawke as "the best qualified" to succeed Whitlam as Labor leader. The forecasts of the Agency and Alan Carroll came true in almost every detail. In February 1983, three weeks before an election was due, Hawke and others on the party's right wing mounted a successful putsch against Bill Hayden. With the slogan, "Bob Hawke, Bringing Australia Together", the CIA's chosen candidate became Australian Prime Minister. Hawke went on to cultivate many ties with anti-communist groups and developed what U.S. Secretary of State George Shultz described as "a fine relationship" with Presidents Nixon and Reagan.

Hawke's Government repeatedly refused to release some 1,200 documents on the Nugan Hand Bank, the front for international crime and illegal CIA operations in Australia. Hawke also refused to find out why the CIA barred the release, under the U.S. Freedom of Information Act, of fourteen intelligence reports on Commerce International, the CIA-front company that played a central role in the destruction of the Whitlam Government. In 1989 a committee headed by a former Chief Justice of the High Court recommended rigorous Government secrecy in order to prevent disclosures about the activities of the CIA, MI5 and MI6 in the internal affairs of Australia. The CIA's illicit actions against the Australian Labor Party clearly indicate that the Agency will not hesitate to move against even supposed allies if it considers that they threaten U.S. interests; the full range of CIA dirty tricks can be expected to be applied against any Western nation with the same lack of impunity and regard for the law that the Agency has shown in its wars with its enemies in the East. To help prove this point we present the following White House briefing paper written in 1967, just prior to the assassination of Holt.

Foreign Relations of the United States, 1964-1968, Volume XXXIII, Organization and Management of Foreign Policy; United Nations, Document 267

From 11:10 a.m. to noon on May 5, 1967, a meeting was held in Secretary of State Rusk's office to discuss 'actions which should be taken concerning covert operations and clandestine activities, in the light of recent disclosures of CIA involvements.' Present were Rusk, Katzenbach, Kohler, and four members of the Bureau of Intelligence and Research: Director Hughes, Deputy Director Denney,

Robert McAfee, and Donald Macdonald. The latter prepared a memorandum of the conversation on May 9 (Department of State, INR/IL Files, State-CIA Relations, 1957-1968; Johnson Library, Rusk Appointment Book for time and date of meeting)

Following some 'initial general discussion', Rusk 'said there was need for far-reaching policy discussion'. For example, he thought that in the countries with whom we are close friends, we should be doing only those things we would allow them to do with us. Mr Hughes noted the particular problem of CIA contacts with opposition leaders: should these contacts be retained when the opposition became the government? The Secretary spoke of the need to take some action on these issues. Hughes then 'listed a number of examples of recent problems' and, upon concluding, noted that the press had been aware of many operations, but had been sitting on the story before *Ramparts* blew it. There was a change of climate, and a de-stabilizing effect on the consciences of writers and others. Mr Katzenbach noted that the CIA had been 'hardlining' so long that such publicity bothered them less than it did us.

Hughes then noted that excellent personal working relations existed between CIA and INR, despite INR's burden of representing both sides. A general discussion of the 'relative concerns of State and CIA' ensued, following which Hughes indicated that he was not saying necessarily that for State to be fully informed of covert operations and clandestine activities would eliminate the risks. The Secretary noted the need to ensure that if we take risks we take them consciously. Mr Katzenbach added that the risks should be worth taking, and Hughes agreed. Hughes then briefed the results of the INR/DDC survey of 1966 5,412 cases, noting that 'support to international activities of voluntary organizations had always been an exception to the normal procedures'. He pointed out the problems of considering 5,412 actions-how to weigh them and budget them. He observed that 'when CIA made payments for information, such cases did not go through the 303 procedure at all' and 'we don't know how much of this happens. Many cases which "blow" are clandestine intelligence situations.'

As for inter-agency relations, Mr Hughes said that some matters were procedural and mechanical, but the problem was basically a state of mind. He noted the CIA predilection for dealing directly with the policy officers. Although the CIA had acknowledged responsibility to inform Ambassadors of clandestine activities, the Department is as usual not informed, although NSCID 5 called for consulting the Secretary of State. The Secretary said that when he saw Foreign Ministers and other officials, he should know as much as the ministers themselves about their involvements with the US Government. Mr Hughes pointed out that the CIA quoted statutory authority to support its position on clandestine activities. The Secretary observed that there was no need to be paralyzed by statutory authority; that there was no activity touching on foreign affairs that he did not feel authorized to inquire into. Mr Hughes said there was a question as to how much the Ambassador and others should know about involvements with high officials. This would require a revision in the NSC directive. The Secretary observed that not all Ambassadors should know everything. He didn't want to generalize about this subject in any direction.

At the conclusion of the meeting it was agreed that the Secretary would see Mr Helms alone, after which the same group would meet again to discuss the problem further. Rusk met alone in his office



with Director of Central Intelligence Helms on May 20, but no record of the discussion has been found. No record has been found of a follow-up meeting of the same group.

Australia's political destiny has clearly been mapped and played out, in America's best interests and not those of Australia. This is an intolerable situation that will sadly continue until such time that the Australian people choose to elect candidates who have the will to establish a government that has enough unity and strength to act independent of the American strategic chess board and allow its people to choose their own place in the world, unaffected by American foreign policy. History has recently repeated with the coup against Australia's latest legally elected Prime Minister, Kevin Rudd, who was deposed by Labor Party power brokers over proposed taxes to mining magnates predominantly owned by US interests. The same faceless men have more recently had a hand in making Mr Rudd resign his portfolio as Foreign Minister. This situation was one very similar to the Labor Party's state of affairs in 1963.

In March 1963 when the Labor Party's decision-making body—the Federal Conference—met at Canberra's Hotel Kingston, Whitlam and Arthur Calwell were involved in an inadvertent demonstration of the need for party reform. The two men walked over to the hotel late one evening to hear the decision reached by the thirty-six delegates regarding party policy on the government's plan to allow the United States to build a communications base at North West Cape in Western Australia. The meeting had not finished and, as the party leaders were not members of the conference, they waited outside the hotel. Among the journalists also gathered there was Alan Reid, who quickly sent for a photographer and produced the telling image of the leaders of the party's parliamentary wing waiting for the party's organizational delegates—the 'thirty-six faceless men'—to give them a policy. When Robert Menzies called a snap election in November 1963, he made much of Labor's difficulty in forming a policy on the US base and of the 'thirty-six faceless men' caricature. After Labor lost ground in the election, Whitlam launched a stinging attack on his party's 'failure to devise modern, relevant and acceptable methods of formulating and publicizing policy' and demanded reforms to the machinery and processes. Moves to include the leaders of the federal parliamentary party on the federal executive were initiated, and a compromise arrangement was achieved at the party's conference in Adelaide in 1967, the very same year that Harold Holt was to be killed at Cheviot Beach.

## **PARTIAL DOCUMENTS ANNEX**

# THE ASSASSINATION OF HAROLD HOLT

## Document Companion

This work is a companion to the book "The Assassination of Harold Holt" It contains Government documents obtained during the research phase of the aforementioned book. These documents were obtained via the Australian National archives, many shown here for the first time. The documents originate from thousands of overlooked files from a myriad of departments. When viewed in conjunction with eyewitness testimony these documents paint a grim picture of Australian and U.S foreign policy. The political environment of a world on the verge of nuclear destruction and rife with corruption, betrayal and even the assassination of an allied powers leader.

The Australian Prime minister Harold Holt disappeared while swimming at Cheviot Beach near Portsea , Victoria on 17 December, 1967 . His body was never recovered. Without determining the cause of Holt's death, a joint report by Commonwealth and Victoria Police, submitted in January 1968, concluded that, there has been no indication that the disappearance of the late Mr Holt was anything other than accidental'.

The Australian Prime Minister Harold Holt thought of himself as a close personal friend of U.S President Lyndon Baines Johnson. It was this close association that lead to Holts death at the hands of rouge elements inside his own government and a covert cell within a United States intelligence agency known as Task Force 157. During the Vietnam war a CIA owned company known as Air America were transporting opium out of Laos in order to fund black, or covert operations against communist governments around the world. These operations laundered monies and purchased arms through commercial banks established by the CIA.

Newly declassified documents uncover a failed attempt to have Holt killed in mid-1965 using a terrorist organization known as The Croatian Revolutionary Brotherhood, funded by the CIA and protected by ASIO.

In 1967 the year Holt disappeared an ex Green beret by the name of Michael Hand is brought into Australia by the CIA NOC operator known as Maurice Bernard Houghton. Houghton utilizes Leo Carter of ASIO, an Australian intelligence organization, to form an assassination cell to eliminate the Prime minister. A perfect assassination that would become the template for foreign policy intervention by intelligence agencies until this very day.

With the removal of Holt and the establishment of a corrupt government, Task force 157 via Houghton and Hand establish a criminal cadre that import drugs ,arms and launder

international drug money through the Nugan Hand bank, established by the CIA with funds coming from the uncovered CIA Castle bank via parent bank Chase Manhattan.

Corruption runs so deep in the Holt affair that the police report is a paid for deception, littered with false statements mismatching facts and timeline anomalies deliberately overlooked by officials. The police report contains statements by military personnel, scientists, local fishermen and many others. After studying these statements in detail, strange and un investigated anomalies appear throughout the document.

One such anomaly comes from a local scientist that tested the current flow of the surf zone, whom stated that Holts body could not have left the tidal surf zone because the breaking waves would have forced his body towards the shoreline or held it in state, if wedged under a crevice. And yet divers in the search party found no trace of Holts body despite scientific tidal evidence stating that his body could not be carried out past the breakers because of tidal interactions, effectively this states that Holts physical remains had defied the laws of hydro physics.

Corporal Neville Woods, one of the first military members on the scene stated that: "Using binoculars I searched Cheviot beach In the blowhole pool I thought I saw something pink in the water but I couldn't see what it was and I couldn't be sure, there was a lot of driftwood

...and later upon meeting up with Gillespie and Vyner...I asked Vyner Gillespie to point out exactly where Mr Holt had gone in and she indicated to me a spot near, the place we call the blow hole pool. That was the place where I had thought I had saw something pink".

In effect the Corporal had seen Holts body prior to its removal from the area by highly qualified naval clearance divers involved in the assassination. After Holt had disappeared from view for some time Mr Stewart, one of four witnesses, clambered back to a path where his car was parked in front of Mr Holt's Pontiac, and went to the military cadet training school, to raise the alarm. At 12.45 the police were contacted and inspector Jackson departed for the scene as is stated quite clearly in the police report. "At approximately 12.45 on this date, Allan Stewart Arrived back at the main gate he braked his car suddenly and Hurried inside the guardhouse..." The police report states that At 12.00 noon a friend of the Holt family Mr Jonathan Scott Edgar, the same man whom Holt was planning to have a BBQ with at mid-day, received a phone call at his home from Mrs Ansett, wife of Sir Reginald of Ansett airlines. Mrs Ansett tells Mr Scott that Holt has been missing for 15 minutes in the surf.

To quote Mr Edgar : "On Sunday Dec 17th 1967 at 12noon I received a phone call From Mrs Ansett who told me that Holt had been missing for 15 minutes in the surf. I had been talking



to Mr Holt at 10am that morning discussing plans for the afternoon". How did Mrs Ansett know of these events if Stewart hadn't reported them until 12:45? That leaves an astonishing one hour of un-accounted time between Holt disappearing at 11.45am and Stewart driving 2 kilometers to the guardhouse !

Harold Holts briefcase contained papers that implicated Chase Manhattan bank in the CIA transportation of drugs out of Laos during the Vietnam war. The briefcase was removed by Alan Stewart and later returned to the vehicle after the removal of these papers and prior to Holts car being dropped at his Portsea holiday residence. In the years following Holts death members of the assassination cell are liquidated or neutralized in such a way, so as to completely discredit any truth reaching the public domain.

Gary Simmons one of two clearance divers is butchered on the operating table during a routine gland operation by the Australian department of defence, rendering his vocal capacity to almost zero. Following his operation Gary is subscribed a course of medication consisting of LSD based psychotropic drugs that permanently affect his recollection of events.

Ronald Titcombe MBE, the second clearance diver, owing to his status in the Australian navy and having some degree of celebrity, having worked publicly on snowy mountains hydro electric scheme and authoring a popular work on diving, is publicly discredited by having him release the now infamous submarine story. Titcombe goes along with the lie thinking it will save his life, then is killed when Tom Fame a naval operative releases Holts accepted biography fully discrediting Titcombe, following the Australian coronal inquiry into Holts death some twenty years after the fact and following Gary Simmons partial recovery. This work exposes Titcombe as an ASIO employee as shown in declassified intelligence papers from the files of ASIO itself.

Private John Elkinton Fisher, one of two SASR snipers is assassinated by the CIA in Vietnam following Holts death. His helicopter extraction rope is tampered with and he falls thirty meters from a helicopter during extraction from battle. Official reports state that Fisher himself is responsible for his own death having wrongly attached the retrieval line to his person.

The second sniper Denis John West, survives several assassination attempts on his life having been sent back to Vietnam directly after Holts death. Denis is detached to the infamous MACVSOG American special operations unit in Vietnam involved with the Phoenix program of assassination .Most of his records are altered or expunged from public access.

Denis prior to his enlistment in the army and subsequent SASR selection worked as a truck driver for Peter Ables. It was because of this prior association that Denis was selected to be involved in the assassination cell.

Alan Stewart, the principal and very public witness to Holts supposed drowning survives until the present day. Conflicting media statements and testimonies from Stewart indicate he is an intelligence operative involved in the Holt plot. Stewart's primary function was to infiltrate the Gillespie household and feed intelligence on Holts personal activities back to Mike Hand and finally to lure Holt to Cheviot bay and into the trap. Stewarts covert position is revealed in his operational knowledge of military procedures following Holts death. Media images of the time show Stewart in the vicinity of Cheviot beach continuously throughout the following search for Holt so as to provide Houghton and Hand intelligence on local law enforcement actions. Its probable that Stewart has a British intelligence background and that he was under contract via Maurice Bernard Houghton, a CIA NOC operative. Titcombe is known to have dated Stewarts sister in the weeks leading up to Holts death, as shown in declassified ASIO documents.

Non field cover intelligence is provided by Australian members of government, paid for by the CIA in its endeavors to establish a banking concern in Australia. These banking concerns are necessary to convert munitions and drugs into operational funds for CIA backed anti communist coups in Indonesia, South America and Vietnam.

## MISSION EXECUTION PLAN

In December of 1967 Colonel Reginald Patrick Beesley commanding officer of 3rd squadron Special Air Service Regiment in Vietnam was, under orders, to dispatch two soldiers on a flight heading back to Australia on a need to know basis. The men were to be flown to Essenden airport in Victoria and then transported to the naval base Lonsdale in port Melbourne, around four nautical miles from Cheviot beach, there to liaise with Lt Cmdr Titcombe for briefings with himself and his dive crewman.

Following a few days of mission briefs and training exercises the men were to be transported to the Portsea officer cadet training facility of which would have only a skeleton staff of around a twenty eight personnel due to the Christmas military period standown. The men were to be deployed along opposing cliff tops in dense salt brush above Cheviot beach. During this phase a private fishing boat was to be dispatched off the coast of Port Phillip bay, offshore some distance from Cheviot beach. The boat was to contain special forces naval clearance divers.

Alan Stewart was to lure Holt to Cheviot beach at a specified time after Alec Rose sails into Port Phillip bay on 17TH Dec 1967 between the hours of 10.30am and 12pm depending on Rose's estimated time of arrival. Stewart was to then recover documents held within Holt's briefcase and known to be in his car on his arrival at Portsea. Stewart was after the event to alert local authorities of the disappearance of the Prime minister and to feign assistance in the ensuing search operations. The soldiers positioned above the cliffs at Cheviot beach were to be ordered to join the search for Holt after Stewart reported the incident to the local military authorities, they were to blend in with military

members arriving at the scene, then later to be abstracted from the area when sufficient crowds had gathered. At this time Ansett helicopters would be dispatched to search for the missing Prime minister. Any reports of activity in the waters around Cheviot beach from the hours of 1pm until the end of the day were to be discounted as unreliable.

After the successful completion of the mission Stewart was to be eliminated in a road accident. The two soldiers were to be sent back to Vietnam and placed in the line of fire or eliminated by friendly forces. The two Naval clearance divers were to be dealt with accordingly depending on opportunity. No records were to be kept of any of the preceding events.

## STATEMENT BY DENIS JONES

### CONCERNING HIS INVOLVEMENT WITH HAROLD HOLTS ASSASSINATION

My name is Denis John West. I was born in 1944 in Sydney, Australia. I married Beryl Teresa Sloan under the alias of Denis James Jones, having met her in Kings Cross whilst on leave from the army. As it eventuated Beryl became pregnant out of wedlock, which at that time was still frowned upon by society. We had two children, Raylene Jones and Paul Presley Jones, and as a result of that we got married. At that time I was in serving with the Australian Special Air Service. My rank was private and my service number was 217157. Owing to the nature of my duties I informed my wife I was an interstate truck driver. I actually lived in Western Australia at Campbell Barracks, Swanbourne, but managed to convince Beryl that my absences were due to interstate work commitments.

I had been in the military since the age of nineteen having worked previously as a truck driver for Thomas Nation Wide Transport owned by Peter Abeles. Eventually I told Beryl the truth, which caused considerable strain on the marriage. This would have been around the time of Paul's birth in February 1967, for which I was granted a brief leave of absence from the army. Whilst serving in Vietnam as detached to 1 Australian Reinforcement Unit. On 13.12.1967 I was ordered by Colonel Beesley to proceed via military transport to Tan Son Nhut (Saigon) airport and onto a Hercules C130 transport plane.

I was flown to Essenden airport in Melbourne, Victoria, arriving on Friday, 15 December 1967, where we were met by an American in plain clothes who introduced himself as Mike. He mentioned that he had served in Vietnam with the Green Berets. This man drove myself by car from the airport to HMAS Lonsdale, a small naval base in Port Melbourne which consisted mainly of older style accommodation housing. From Lonsdale we were driven by naval police, some distance to the Swan Island facility and I was shown to my sleeping accommodation and asked not to leave my quarters until I was collected by a member of the naval police.

I remained in my quarters that night, only leaving to go to the mess and eat dinner, returning immediately afterward to my room. The next day a naval police member escorted me to what appeared to be a moderately-sized briefing room, where upon arrival I was introduced to a member of the Special Air Service Regiment named John Fisher who had been transported from our base in Swanbourne (Campbell barracks) Western Australia. I had never met Fisher prior to this.

Fisher and I were then introduced to a Lt Commander Ronald Titcombe, who was a naval dive officer. Titcombe briefed us on what was to be a live firing operation that was to be held near Portsea officer cadet training facility near Sorrento. We were told that this operation was to target a known communist spy who had been selected for termination. We were told that we were to be deployed along a local beach not far from the cadet



training facility and when given a signal, which was to be a civilian climbing onto a rock in the middle of the beach, we were to fire on the communist target. Fisher and myself were also made aware that two naval clearance divers would be just outside the surf zone beyond a reef and that we were to take extreme care not to injure the divers. Titcombe went on to explain that he and one other naval diver would be in the water. Titcombe made it clear that we were not to fire on the dive crew under any circumstances.

It was made very clear to us that this operation was top secret and that we were bound by military law never to discuss this operation. We were instructed that after the operation we were to wait until the civilian spotter had departed the area after the rounds were fired, then we were to collect up our used cartridge casings and wait for the man to get into a car and depart the scene, then slowly move down to the beach area where a few civilians would be on the beach. Fisher and I were instructed to approach the civilians and enquire as to what they were doing in the area. Titcombe informed us that we should remain in attendance at the location until local military members arrived and that we should take part in a search operation until we could be safely extracted from the area via military transport.

At 4.00 am on 17 December 1967 Fisher and I were issued with XM-21 rifles, which I had trained with in Vietnam, and a quantity of ammunition, then taken by military transport truck to Cheviot Beach. We positioned ourselves at high elevation at each end of the bay. It was still dark at that time. I found a position that gave excellent viewing of the entire beach and bay, then set myself into a good firing position. I remained there until a party of five civilian attired people arrived at the beach. At this point I can only speak for myself as to the actions I undertook, because Fisher was on the other side of the bay. I watched as the civilians arrived in two cars. One parked in front of the other. A group consisting of two women and three men got out of their vehicles and walked down a rough pathway leading to the beach, this would have been at around eleven in the morning, at which point I was very uncomfortable having been at my location for some time.

I observed over the top of my weapon as the party made their way down to the beach. After a while the party separated and the target, after discussion with a person known to me as the civilian spotter, entered the water. At this point I took up my weapon and watched this man through the optical telescope attached to the weapon. The man was around fifty years of age and slightly overweight. I tracked him through my optical scope as he entered the water. After a few minutes the man was swimming in deep water and waves were breaking around him. At this point a woman, who had wandered away from the area with two other younger people, joined the spotter near the shoreline. The spotter returned to the shore having just been wading in the shallows. At this point he ventured to a large rock that was off centre towards my position on the beach and he climbed the rock. At this point I trained my weapon on the figure in the water and fired once, hitting him with the round. I should think that Fisher's round would have hit him as well.

After the shooting it took me some time to work myself away from the elevated position to a point where I could stand and walk back to the beach area and meet up with the group of civilians, who by that time, were at the car park area. The spotter had not returned at this point. I could see that Fisher was at a similar position of approach. We walked over to the group and I briefly spoke to a young man asking him what was going on. Myself and Fisher then made our way down to the beach and chatted with an off-duty army member that had only arrived a few minutes before ourselves. He was dressed in civilian attire. Myself and Fisher remained in the area for a few hours and then left via military transport back to Swan Island.

After the operation Titcombe gave Fisher and myself a very direct debriefing once again warning us of the implications if the operation was ever discussed. The next day I was transported to Essenden airport and flown back to Vietnam. Fisher was transported to a location unknown to myself but I would assume he went back to his unit. I was sent to Second Battalion, followed by a posting to Logistical Support Headquarters and later detached to an American unit that was taking part in covert activities aimed at killing Vietcong sympathizers and political activists. It was whilst with this unit that my own life came under threat on several occasions. There was even a sort of unofficial kill order issued on me, which ended with the death of another guy, a Lt Jones, who was shot in the head during a patrol.

At the time I did not know that I had fired upon Harold Holt, however upon arrival at Essenden airport I did find this out, overhearing conversations concerning the incident. I have never discussed this incident, however as I have a terminal condition I wish these events to become public prior to my death. I feel the Australian public should be made aware of this crime against them as a whole.

I do not regret my actions as I was under very specific orders, however I do feel great animosity to those that created my involvement in this incident. I have since killed the person that later became known to me as Michael Hand. After I deserted the army I spent most of my time around the area known as Kings Cross. I found it easy to hide amongst that part of the population. At that time I was working again as a truck driver under the name of Denis Jones. It was at this time I was also affiliated with a biker group known as the Gypsy Jokers. It was here that the whereabouts of Mike became known to me, he used to hang around a group of people well known in the area. I'm aware that he was known to authorities as a banker under investigation for fraud I think. Hand had killed two people that I know of, one being a guy called King another was his own business partner Frank Nugan.

I followed him in 1982 as he was driving towards Sydney Kingsford Smith airport. I then forced his car from the road and after a confrontation stabbed him several times. I placed his body in the boot of my car and drove to an area in Botany Bay not far from the airport. I then disposed of his body in sandy soil in an area surrounded by scrub. The area is near a portion of what is called Foreshore Drive near the Port Botany facility.

During my life I have had to make use of several alias identities owing to my involvement with Holt's death. I have been known as Denis John West, Denis James Jones and Denis John Tango. My mother's name was Maree Meek and my father's name was Thomas Lawson. It is my hope that one day the public will know the truth of the above incident so that it may never happen again. I will be making no further statements about this incident as it is my understanding that I am still liable for murder charges and wish to live the remainder of my life in peace.

**Denis John West**

**Aka Denis James Jones**

**Aka Denis Brian Jones**

**Aka Denis John Tango**

For me to have been able to attract so much attention and authority over these last few years is not normal High Security. The only way for me to have ever obtained such a High Security of this magnitude, where it encumbers every aspect of my life is to have been involved in clandestine acts when I was a Navy Diver. This then proves one or all three of the following to be True and Correct, where I state all three to be True and Correct

1. It was the *Disappearance of Prime Minister Harold Holt* --- I had taken his body out to a fishing boat prior to him being reported missing. - The document that A.S./S uses in Courts (on page 4) is from the Holt involvement. Also the enclosed Affidavit 24 August 2000, shows this statement I made about Holt
2. And / Or a *Medical Experiment (they forgot to tell me about)*: --- This is the surgical operation on my throat without my consent or knowledge. As Chris Bowen stated (on page 3) there is an American Order over me
3. And / Or it was *Operational Work* --- I was involved in American operational work, when I was under the (then) adult age of 21 years.

Here is some added information for your Holt inquiry. Why was everyone sent on leave from the Navy Diving Team One except for myself before Holt's disappearance. Why weren't the twelve Divers from Team One recalled for the Holt search? Why did Team One, before being sent on leave got all the search and diving gear together for this search? (I spent 14 months on this Team and was there three months before the Holts event, which demonstrates that I have knowledge of how this Diving Team operates and works.)

For the past 32 years, a top few at A.S./S have been allowed to act like GODS where "they" answer to no one and have stop people from inquiring about me. The abuse of "their authority" where in the past, it has interfered in the Due Process of Law was done to conceal my issues and to stop any disclosure or acknowledgement of me. This was done to conceal "their" own criminal act of fraud, where for years "they" have fraudulently withheld payments and entitlements that belong to others and me. These entitlements were to compensate and reward us for the losses, we will suffer through our High Security

It should be noted that "their" inference in the due process of law, is against the High Court ruling of 1984 of A versus Hayden 56 ALR 82. This ruling was against "them" and the Federal Government, where it stated no one can break the laws of the land and no one can interfere in the due process of law. The High Court ruling also states any contract or engagement having a tendency, however slight, to affect the administration of justice is illegal and void

The way you, your Government and the Media have ignored my issues in the past is nothing but contemptible where you choose silence over law or fair play. You can't have it both ways with my High Security where you deny me law yet you apply law against me, and where you deny me of my rights, and then you ignore me of my entitlements. It should also be remembered that for nearly 30 years I was unable to write, spell or speak with clarity after the operation to my throat and these are years I can never get back



The original Phoenix Program emerged in the mid-1960s. By 1971, a US House Operations Subcommittee investigation heard the CIA's William Colby acknowledge that in three years from 1968, Phoenix killed 20,587 Vietnamese civilians — though the New York Times independently estimated the figure at more like 60,000.

Col Francis Serong — a former Australian army officer who joined the CIA — played a leading role in all of this. Serong always defended Phoenix. "Yes," he said, "we did kill teachers and postmen. But it was the way to conduct the war". He was the CIA's Australian connection. It was Col Serong that organized military elements used to eliminate Holt.



Serong was on official Duty at Army Headquarters, Canberra at the time of Holts death from 24/06/1967 until 19/12/1967 the day that Stewart was ran off the road.

This is un-usual for Serong whom spent the vast majority of his time in Vietnam working for the Phoenix program and the CIA

"Since the assassination of non-uniformed civilians depends upon the accurate identification of targets, intelligence collation was fundamental to Phoenix".

"I left the army for CIA because I found a way of being of more service to the country outside it than in it. It was a matter of staying in the wagon and trying to steer it or getting out and pushing, so I got out and pushed"

The aging soldier became even more lunatic fringe in his affiliations with irregular paramilitary group, the 'Guardians', which in 1996 claimed to have organized groups 'against some future emergency when they might see the need to overthrow the government'.



Question 306

1. Does his Department have any evidence that any Organizations in Australia have used, or are prepared to use, force or violence in the overthrow, or attempted overthrow, of established Governments in Australia or in any other country?
2. If so, what are the names of these Organizations and what is the evidence?

**ANSWER:** I refer the Honourable Member to the answer to Question 73. The preparation in Australia or the direct-ion from Australia of the use of force or violence for the overthrow of an established foreign government is contrary to Australian law. It is not customary to announce details of security operations directed towards ensuring that this law is observed.



Lt Commander Ronald Titcombe: Clearance diver with top secret rating in espionage. Worked for Naval intelligence as well as ASIO. Second in charge of the assassination team. Was one of two divers that removed Holts body from Cheviot beach. Trained with SASR element snipers at the secret Swan Island Intelligence base in Port Melbourne in preparation for the assassination of Harold Holt.



In company with Mr. [REDACTED] and Mr. [REDACTED] I interviewed Lt. Cdr. TITCOMBE on 21st September, 1966.

2. Lt. Cdr. TITCOMBE impresses with his appearance and manner, he is apparently a man of strong character and ambitions.

3. Questioned on his experience in the Navy it is obvious from his answers, that he can bring to A.S.I.O. a wide knowledge of sabotage methods for all fields of attack.

4. I consider that Lt. Cdr. TITCOMBE would be a good A.S.I.O. officer. However, I feel he will, if appointed, wish to transfer to other duties outside the specialist field in a relatively short time.

Meanwhile, the Director of Naval Intelligence decided to recall TITCOMBE, who was away on the Swan Island course, to Canberra, where he was due to arrive on 10th November, 1967.

TITCOMBE, who is suspected by me of being likely to engage in espionage activity prejudicial to the security of the Commonwealth.



Michael John Hand: Ex Green Beret and CIA NOC operative sent to Australia to eliminate Holt and establish banking concern Nugan Hand for the laundering of CIA black operations money. Hand enters Australia in late 1967 under the guise of a Pine Gap construction employee. Hand is later listed by ASIO to be able to depart and re-enter Australia as many times as he required bypassing security procedure.



15. Proposed Address in Australia NORTHERN TERRITORY

16. Particulars of applicant's past and present employment, including Military Service--

Period	Name & Address of Employer	Nature of Business	How Employed
From 19 <u>MAY 66</u>	<u>RICHARD DAVIES CORP</u> <u>43. ARMY STATION</u>	<u>ERECTING STEEL FRAME</u>	<u>BUILDER</u>
To 19 <u>DEC 66</u>	<u>Box 164</u> <u>RIVINGTON - New Jersey</u>	<u>BUILDINGS</u>	<u>WELDER</u>
From 19 <u>63</u>	<u>U.S. ARMY SPECIAL FORCES</u>	<u>MILITARY COMMUNICATIONS</u>	<u>SERGEANT OF COMMUNICATIONS</u>
To 19 <u>66</u>	<u>POW BRANCH - NORTH CAROLINA</u>	<u>ENGINEERING</u>	
From 19 <u>61</u>	<u>POW SWIM SCHOOL</u>	<u>TEACHING SWIMMING</u>	<u>MANAGER</u>
To 19 <u>63</u>	<u>24444 HAWTHORNE -</u> <u>TERRELL - CALIFORNIA</u>	<u>GYM ACTIVITIES TO CHILDREN</u>	<u>HEAD INSTRUCTOR</u>

17. Details of special qualifications or skills JOURNYMAN IRONWORKER - QUALIFIED FORESTER  
N.Y.S. SURVEYOR - DEEP SEA DIVER - RADIO OPERATOR - CARPENTER

18. Proposed employment in Australia BUILDING OR CONSTRUCTION IN RURAL AREAS



ANNEXURE 'B'

Alan Cameron Charles STEWART states .....

I am a Company Director in relation to a business called Eden Industries, Victoria, Pty Ltd, situated at Oban Road, Ringwood.

My private address is 3 Elm Grove, Armadale and I am 28 years of age.

I am a friend of the Gillespie family and have been approximately over the past 4 years. I was a house guest at the Gillespie's residence at 'Weroona', Portsea Road, Portsea, over the weekend and commencing Saturday 16 December 1967. I arrived at the address at about 2 p.m. on Saturday and spent the remainder of the day in the company of the family and slept there overnight on 16 December.

On the morning of 17 December, 1967, after breakfast in the vicinity of 10 a.m., Mr Harold Holt (the Prime Minister) who has a holiday residence on the Weroona Estate came to the house in the vicinity of 11 a.m. He contacted Mrs Gillespie and extended an invitation for herself and other members of the household to accompany him to the Quarantine Back Beach. I was included in the party to the beach at the invitation of Mrs Gillespie.

At about 11.15 a.m. the party consisting of Mrs Gillespie, Vyner Gillespie her daughter and a young man called Martin Simpson and myself accompanied Mr Holt to the Quarantine Station. Two vehicles were involved in the transportation. I drove one and it contained Vyner Gillespie and Martin Simpson as passengers. This car belongs to a Mr John McIntosh and is a white Holden station wagon. Mr Holt travelled in his own vehicle a maroon coloured Pontiac and he had as a passenger Mrs Gillespie. She occupied the front seat. We passed through the main entrance to the Quarantine Station and we stopped as we entered the area and Mr Holt cleared the entry with the Army Guard by announcing himself as Prime Minister.

We continued on along the bitumen roadway inside the area and followed the coast on the ocean side as far as we could go and we were eventually stopped by a road block. This would be, I think, about a half a mile from the headland and old fort.

## INWARDS TELEPRINTER MESSAGE

TO HANCOCK FROM MADDIE

D.C.S. SYDNEY PLEASE PASS THIS MESSAGE TO ATTORNEY-GENERAL

ALAN CHARLES STEWART STATES .....

I AM A COMPANY DIRECTOR BY OCCUPATION AND I RESIDE AT 3 ELM GROVE ARMADALE.

ON SATURDAY THE 16/12/67 I WAS INVITED TO STAY THE WEEKEND AT MR. WINTON GILLESPIE'S RESIDENCE AT 'WEROONA' PORTSEA ROAD, PORTSEA, AND I ARRIVED AT THAT ADDRESS AT ABOUT 2 PM ON THAT AFTERNOON. I SPENT THE REST OF THAT DAY IN THE COMPANY OF THE GILLESPIES AND SLEPT THERE LAST NIGHT THE 16/12/67.

THIS MORNING THE 17/12/67 I HAD BREAKFAST AT ABOUT 10AM AND THEN MR. MOLT THE PRIME MINISTER WHO HAS A HOLIDAY HOME TWO HOUSES DOWN FROM 'WEROONA' CAME TO THE HOUSE AND INVITED MRS. GILLESPIE AND OTHER MEMBERS OF THE HOUSEHOLD TO GO TO THE QUARANTINE STATION BACK BEACH WITH HIM.

I SAID THAT I WOULD LIKE TO GO WITH THEM AND AT ABOUT 11AM MRS. BEGGES, VYNER GILLESPIE HER DAUGHTER AND YOUNG CHAP CALLED ~~SPITH~~ MARTIN, I DON'T KNOW HIS SURNAME AND MYSELF ACCOMPANIED MR. MOLT TO THE QUARANTINE STATION. MRS. GILLESPIE WENT WITH MR. MOLT AND THE REST OF US WENT IN ANOTHER CAR. WE DROVE TO THE BACK BEACH AND PARKED THE CARS ABOUT 50 YARDS OFF THE BITUMEN ROAD AND THEN WE ALL WALKED DOWN TO THE BEACH WHICH WOULD BE A FURTHER 100 YARDS OR SO FURTHER ON.

WE ARRIVED AT THE BEACH AT ABOUT 11.30AM. I AM NOT SURE OF THAT TIME BECAUSE I DID NOT LOOK AT MY WATCH BUT IT WOULD HAVE BEEN ABOUT A HALF HOUR AFTER LEAVING THE HOUSE. THE FIVE OF US THEN WALKED ALONG THE BEACH IN THE DIRECTION OF THE PORTSEA BACK BEACH FOR ABOUT 400 YARDS AND THEN PLACED OUR TOWELS ON THE BEACH. NOBODY BROUGHT ANY OTHER EQUIPMENT WITH THEM. THERE HAD BEEN NO MENTION OF ANYBODY DOING ANY SKIN DIVING. WHEN WE ARRIVED AT THE BEACH THERE WAS A HIGH TIDE AND A BIG SURF RUNNING. IT WAS A PRETTY WILD SURF. THE WATER WAS VERY TURBULENT AND COVERED IN WHITE FOAM. WHEN WE ARRIVED AT ~~THE BEACH~~ THAT DESTINATION WE DISCUSSED THINGS IN GENERAL AND ALSO SPOKE OF CRAY FISHING.

AFTER A SHORT TIME MR. MOLT WENT INTO THE WATER AND SWAM OUT INTO DEEP WATER. I FOLLOWED HIM INTO THE WATER AFTER A FEW MINUTES. I DID NOT GO OUT MUCH FURTHER THAN 20 YARDS FROM THE SHORE AND I COULD SEE THAT MR. MOLT WAS SOME 40 YARDS APPROXIMATELY FURTHER OUT THAN I WAS. I DID NOT INTEND TO GO WHERE HE WAS BECAUSE I KNEW THAT I DID NOT KNOW THE WATER THERE AS WELL AS HE DID. I STAYED IN THE WATER FOR ABOUT 5 OR 10 MINUTES AND DURING THIS TIME I OBSERVED MR. MOLT SWIMMING ABOUT FURTHER OUT. MRS. GILLESPIE ALSO ENTERED THE WATER DURING THE TIME I WAS HAVING A SWIM. JUST PRIOR TO US GOING FOR A SWIM VYNER AND MARTIN WENT FOR A WALK ALONG THE BEACH.

WHEN I LEFT THE WATER I LOOKED ABOUT BUT I COULD NOT SEE MR. ERIC MOLT. I KEPT LOOKING FOR A FEW MINUTES AND THEN I WENT ON UP ONTO A ROCK ON THE BEACH SO THAT I COULD GET A BETTER VIEW. MRS. GILLESPIE WAS ON THE BEACH ALSO LOOKING. WE LOOKED FOR SOME TIME BUT WE WERE UNABLE TO SEE HIM IN THE WATER AT ALL. AT

THIS TIME THE SURF HAD BUILT UP AND APPEARED TO ME TO BE HEAVIER THAN BEFORE



14. Air search and diving operations ceased for the day at last light on 17 Dec 67. Off shore patrols by a RAN Reserve vessel and the pilot vessel "STUN" continued throughout the night.

15. Army searchers (para 9 above) combed the hills and valleys surrounding CHIVOT BUAH throughout the daylight hours in case the PH may have got ashore in an injured condition and taken shelter. After last light these teams patrolled the beaches until air search and diving operations could be resumed.

16. On Mon 18 and Tues 19 Dec 67 the search continued along the lines outlined without avail. Demands on OCS were not noticeably reduced though hope for success appeared to be diminishing when the TV conference was held at 2100 hrs on 19 Dec 67.

17. At this point it should be recorded that Mr Stewart (see para 2 above), who at 2000 hrs approximately was departing having made statements relating to the PH's disappearance at the request of the Victoria Police, was involved in a road accident within OCS area and seriously injured. Civilian vehicles only were involved and no damage occurred to Commonwealth property. OCS staff rendered first aid and reported the accident to the police who took charge of the matter.

18. On Wed 20 Dec 67 a diminution of administrative requirements began to be felt, though no slackening of the rigor of the search was indicated. The reduced administrative effort was due to the gradual withdrawal of press, radio and TV coverage and of civilian volunteer bodies such as St John's Ambulance.

19. By Fri 22 Dec 67 definite and sizeable reductions had been made in the scale of the search and OCS administrative support amounted to providing rations and quarters for the crews of two civilian helicopters and their POL tenders; three Commonwealth Police (on duty at PH's PORTSEA residence), not more than four members of Victoria Police Force and six soldiers from School of Sign who acted as helicopter "spotters."

20. Advice was received from ROBINSON Police Station on 4 Jan 68 that the search would be discontinued on 5 Jan 68.

21. It will be appreciated that the demands made on OCS, particularly in the first hours of the emergency were met by a hard-pressed and often untrained staff who were performing duties for which they had no training. In keeping with the national importance of the occasion and the urgency of requirements, no reasonable request was refused. Regrettably first checks on items so issued indicate that the spirit in which stores and equipment were loaned was not reciprocated in many cases. A complete check is being conducted of all items issued and this will be the subject of separate advice as soon as practicable.

22. The assistance of HQ 3 Comd School of Sign and 6 Sig Regt during the search operations contributed greatly to the overall effort. Indeed it is quite obvious that an operation of this type and magnitude could not possibly have been mounted by OCS alone. The ready and prolonged co-operation of School of Sign was particularly appreciated.

65 C 5 2000  
(S.L. Regis)  
Col  
Comdt 01



On Sunday, 17 December 1967, at about 12 noon, I received a phone call from Mrs Ansett who told me that Mr Holt had been missing for 15 minutes in the surf. I had been talking to Mr Holt about 10 a.m. that morning discussing plans for the afternoon. We had intended going diving that afternoon.

Superintendent,  
'A' DISTRICT.

SUBJECT: Right Honourable Harold HOLT, Prime Minister of Australia. Missing in surf off Cheviot Beach, PORTSEA, on 17 December 1967.

1. Following information received at 1300 hours on Sunday, 17 December 1967, as afternoon shift duty officer, I proceeded by car to Moorabbin Airport and thence by light helicopter to the Officer Cadet School, PORTSEA, to take charge of Police arrangements associated with the search for the Prime Minister.

Peter John SCHUMAN, M.C., states .....

I am a Captain in the Australian Regular Army stationed at the Portsea Officers Cadet Training School, Portsea.

On Sunday the 17 December 1967, at about 12.46 p.m. I was the Orderly Officer of the day at the training School and at the time stated I was contacted from the Main Gate by a Mr Alan Stewart who informed me by telephone that the Prime Minister, Mr Holt, was missing from a swimming party at Cheviot Beach. He also said, 'For God's sake don't disclose the identity at this stage'. He went on to say 'I want a helicopter as soon as possible'.



'He was swimming strongly with tide'

[illegible]

## Searchlight hunt

[illegible]

# Successor to PM has no precedent

For full details of the course, visit [www.oxfordjournals.org/academic/education](http://www.oxfordjournals.org/academic/education)

## Local, world leaders in widespread tributes

Witnessed before me and signed by me this 1st day of January 1964.

**THE**

**spotless**



and the circumstances of death should be more clearly and definitely ascertained.

'(2.) The Coroner has jurisdiction to hold an inquest into the manner and cause of the death, outside the Territory, of a person ordinarily resident within the Territory if the death of the person occurred in any of the circumstances specified in the last preceding sub-section.

'(3.) The Coroner has jurisdiction to hold an inquest into the death of a person notwithstanding that -

- (a) the dead body of the person is not within the Territory
- (b) the dead body of the person has been destroyed; or
- (c) the dead body of the person is in a place from which it cannot be recovered.'

5. The presence of a dead body within the jurisdiction is thus not required for the operation of these provisions and, in fact, in at least one case, the Australian Capital Territory Coroner has held an inquest into the death of a person whose body was lost at sea. It is, however, a further question whether Mr. Holt could be described as a person 'ordinarily resident within the Australian Capital Territory' and, even if this were so, whether it would be appropriate, in all the circumstances, including the remoteness of the believed place of drowning from the A.C.T., for an A.C.T. Coroner to exercise jurisdiction.

6. Finally, the question of Mr. Holt's death could be judicially determined on an application (presumably in the Victorian Supreme Court) by the executor of Mr. Holt's will for grant of probate. If the executor desired to apply for probate before the lapse of 7 years from the date of Mr. Holt's disappearance, he would have to apply for leave to swear to Mr. Holt's death. The cases noted in Butterworth's Annotated Administration and Probate Act of Victoria at page 56 suggest that the Supreme Court of Victoria is reluctant to give such leave until the expiration of a fairly substantial period after the testator's disappearance. A period of 10 months after the disappearance of a testator on a ship that foundered has been held insufficient. In The Will of Williams (1882) A. It would therefore seem that any decision on a probate application would, apart from other considerations, probably be too late to be of practical use in relation to the present question. In any event, the significance in regard to the present question to be attached to a decision on a probate application is questionable; it is not a decision in rem.

7. Turning then to the provisions of the Constitution regarding vacancies in either House of Parliament, it will be noted that section 33 of the Constitution provides that, whenever a vacancy happens in the House of Representatives, the Speaker shall issue his writ for the election of a new member, or if



Cheviot beach police re-enactment image





CONFIDENTIAL

- 2 -

I have read the Police report and its accompanying material myself. The Attorney-General has also read these papers and we agree entirely with the conclusion that the Specter found himself bound to reach. We both consider that it is abundantly clear also that Mr. Holt met his death by accident. In all these circumstances, I see no good reason for setting up any kind of Commonwealth inquiry, which, after all, could only be an informal inquiry and could have no legal status unless special legislation was enacted. I believe that it is quite unnecessary to set up an inquiry. At the same time, I appreciate the public interest and concern in this tragic happening and I think it only right and proper that the Police report should be available for everyone to read. The report was prepared by the Commonwealth and Victoria Police in <sup>conjunction</sup> conjunction. The Victorian Premier agrees with me that it should be released. The police officers who prepared the report - Inspector Jackson of the Commonwealth Police and Inspector Ford of the Victoria Police - commenced their work on the day after Mr. Holt's disappearance and completed it on 9th January when the search was finally abandoned. The report provides a factual and extensive cover of events and interviews and I think that it points quite clearly to the conclusions I have just stated.

CONFIDENTIAL



FOR PRESS

P. M. No. 137/1967

PRIME MINISTER'S STATEMENT

Statement by the Deputy Prime Minister, the Rt. Hon.  
John McEwen

The Australian people are aware that the Prime Minister, the Rt. Hon. Harold Holt is missing off Portsea Beach. My information is that he was swimming this morning with a companion, Mr. Stewart, Director of the Port Quarantine Station. Shortly after noon the two were separated in strong currents. At about 12.40 p.m., Mr Stewart reached the shore and raised the alarm.

A full-scale search and rescue operation was immediately mounted. The operation is continuing. It includes RAAF and civil aircraft and helicopters, police and naval units.

We will all pray that despite the grim situation, the Prime Minister may still be found safe.

This evening we all share with Mrs Holt and the family their terrible anxieties.

---

CANBERRA,  
17th December, 1967

A diver stands exactly where Holt went missing at high tide on the same day Holt vanished





ON HANDLES FROM MOTHER

VYNER GILLESPIE, STATES.....

I AM A STUDENT AT THE MONASH UNIVERSITY AND I RESIDE AT VERONA NEPEAN HIGHWAY, PORTSEA, ALTO AT 6 LANSILL ROAD, TOOFAN.

AT THE PRESENT TIME I AM STAYING AT "VERDONA" AT PORTSEA FOR THE WEEKEND.

THIS MORNING SUNDAY THE 17TH DECEMBER 1967, AT APPROXIMATELY 11.45, I LEFT "VERDONA" WITH ALLAN STEWART, AND MARTIN SIMPSON. WE WERE ALL PASSENGERS IN A CAR DRIVEN BY ALLAN STEWART AND WE LEFT TO GO DOWN TO THE BACH BEACH IN THE QUARANTINE STATION AT PORTSEA. MY MOTHER MRS. MARJORIE GILLESPIE TRAVELLED IN ANOTHER CAR DRIVEN BY MR. HAROLD HOLT. THIS WAS MR. HOLT'S OWN PERSONAL CAR. I DO NOT KNOW THE MAKE OR NUMBER OF THE CAR.

ON ARRIVAL AT THE BEACH WE ALL PARKED TOGETHER AT THE ONE SPOT.

AFTER LEAVING THE CARS WE WALKED DIRECTLY DOWN TO THE BEACH.

ON ARRIVING ON THE BEACH, WE PUT EVERYTHING DOWN AND JUST TALKED ABOUT HOW THE TIDE WAS REALLY IN. WE WOULD NOT HAVE TALKED FOR ANY MORE THAN FIVE MINUTES AND THEN MY MOTHER HAD ALREADY GONE FOR A WALK ALONG THE BEACH IN THE DIRECTION BACK TOWARDS PORTSEA.

ALLAN STEWART, MARTIN SIMPSON AND I WERE THEN WITH MR. HOLT. ALLAN THEN WALKED DOWN TOWARDS THE WATER AND WE JUST FOLLOWED BEHIND HIM. MARTIN AND I JUST KEPT WALKING ALONG THE BEACH IN THE SAME DIRECTION AS MY MOTHER HAD GONE. WHILE WE TALKING ON OUR XXXX ARRIVAL AT THE BEACH MR. HOLT SAID THAT HE KNEW THAT PARTICULAR XXXX SECTION OF THE BEACH VERY WELL AND HE REMARKED AS TO HOW HIGH THE TIDE WAS. WHEN WE WENT DOWN TO THE BEACH MR. HOLT WAS ONLY WEARING SANDSHOES, A 'T' SHIRT I THINK IT WAS WHITE COLOUR AND HE TOOK IT OFF AS SOON AS HE GOT ON THE BEACH. HE WAS ALSO WEARING A PAIR OF I THINK IT WAS NAVY BLUE WALK SHORTS AND UNDERNEATH THAT HE HAD ON A PAIR OF XXXXX BLACK SWIM TUBS WITH SHORT LEGS. THESE SWIM CLOTHES WERE VERY TIGHT FITTING ON HIS LEGS. BEFORE WE LEFT TO GO FOR THE WALK ALONG THE BEACH, MR. HOLT TOOK OFF HIS SHORTS AND WAS THEN DRESSED IN HIS SWIM SHORTS ONLY. I CANNOT RECALL THAT THERE WAS ANYTHING DEFINITE SAID ABOUT ANY PARTICULAR PERSON GOING INTO THE WATER FOR A SWIM. AS WE LEFT MR. HOLT TO GO FOR THE WALK HE STOOD UP AND WALKED DOWN TOWARDS THE WATER ABOUT 20 YARDS AWAY FROM WHERE ALLAN STEWART WAS.

THAT IS ABOUT THE LAST THAT I SAW OF MR. HOLT AND ALLAN AND MY MOTHER BECAUSE WE PASSED HER TO AND THEN WE CONTINUED WALKING AROUND THE BEACH TO THE HEADLAND A DISTANCE OF ABOUT A QUARTER OF A MILE. WE GOT TO THE HEAD LAND AFTER ABOUT TEN MINUTES. MARTIN WAS GOING TO GO FOR A SWIM BUT IT WAS TOO COLD SO HE DECIDED AGAINST IT. WE THEN RETURNED AND COMMENCED TO WALK BACK DOWN THE BEACH IN THE DIRECTION FROM WHICH WE HAD COME FROM. WHEN WE TURNED TO COMMENCE WALKING BACK I COULD SEE TWO FIGURES ON THE BEACH AND AS WE WALKED CLOSER I COULD SEE THAT ALLAN WAS UP ON A RIDGE OF ROCK AND HE WAS LOOKING OUT TO SEA. ~~XXXXXXXXXXXXXXXXXXXX~~

I COULD NOT SEE MR. HOLT AT ALL. MY MOTHER WAS STANDING ALONGSIDE ALLAN AND THEY WERE BOTH LOOKING OUT TO SEA VERY INTENTLY.

WHEN WE GOT UP TO THEM I SPOKE TO MY MOTHER FIRST AND SHE TOLD ME THAT MR. HOLT HAD GONE OUT SWIMMING AND THEY WERE BOTH VERY WORRIED BECAUSE THEY COULD NOT SEE HIM. THE SEA WAS VERY ROUGH AT THE TIME. WE ALL HAD A CONVERSATION AND QUICKLY DECIDED THAT ALLAN SHOULD RUSH UP AND GO FOR HELP. IT WAS OBVIOUS THAT WE MUST HAVE BEEN IN SOME TYPE OF TROUBLE. NO ONE WENT INTO THE WATER TO LOOK FOR HIM WHILE I WAS THERE. ALLAN THEN LEFT US AND RAN UP THE BEACH TO GET HELP. WE STAYED AT THE SCENE AND KEPT WATCHING THE SEA. NONE OF US SAW ANY FURTHER SIGN OF MR. HOLT.

AT NO TIME DURING THE TIME THAT I WAS TALKING TO MR. HOLT PRIOR TO HIS GOING INTO THE WATER DID HE COMPLAIN OF NOT FEELING WELL. HE SEEMED COMPLETELY NORMAL AND IN A GOOD FRAME OF MIND.

I HAVE NEVER ACTUALLY BEEN IN SWIMMING WITH MR. HOLT BEFORE. I DO NOT KNOW ANYTHING ABOUT HIS STANDARD OF SWIMMING. NONE OF US HAD ANYTHING TO EAT OR DRINK PRIOR TO MR. HOLT GOING INTO THE WATER.

A. SWOBLOFF PREPARING THIS MESSAGE TO SYDNEY FOR THE ATTORNEY-GENERAL'S ATTENTION.



SECRET

Vyner Gillespie states .....

I am a student at the Monash University studying Arts and I reside at "Gerrone", Popson Highway, Portsea. We also have a family residence at No. 4 Lamwell Road, Torok. I am 20 years of age.

My address at Portsea is the family weekend residence and on Friday the 15th December, 1967, I travelled from Melbourne to stay the weekend with my family and some house guests.

On Sunday the 17th December, 1967, I was at home after having a late breakfast. At about 11 a.m., I am not sure of the exact time, my mother asked myself, Alan Stewart and Martin Simpson, both of who were house guests, whether we would like to go to Quarantine Back Beach with Mr. Holt, almost immediately.

We all agreed and about 10 minutes later Mr. Holt drove up to the house in his maroon coloured car and we set off for Quarantine Back Beach in two cars. We were grouped as follows - my mother travelled in the front passenger seat of Mr. Holt's vehicle and Alan Stewart drove a friend's named John McInnes's car, a white station wagon.

In this vehicle were Alan, Martin and myself. We drove to the Main Gate of the Quarantine Station where Mr. Holt spoke to the person on the gate and we then continued on along the bitumen roadway along the coast road to a road block near the old fort.

We alighted from the cars and stood in a group and watched the lone yachtman in the "Lively Lady" pass into the bay. We remained at this point for no more than five minutes and we had some discussion as to where we would go and it was finally decided by Mr. Holt that we would go to Cheviot Bay Beach which is also known as Quarantine Back Beach.

The whole group in the two cars then travelled back along the coast road headed by Mr. Holt to a clearly defined vehicle track leading off to the right. We went along this track as far as we could, a distance of about 300 yards, we turned around and came back about 100 yards and parked the vehicles at the cliff top.

Mr. Holt moved his vehicle into the scrub a little off the roadway and we parked behind him. The usual access to the beach is from this point down the cliff through a bush track onto the beach proper.

We all alighted from the cars and gathered our things together. I can recall that I was barefooted and wearing white bikini and I think I was carrying a shirt top. I had a towel. My mother was wearing slippers, a pink bikini and a pink shirt, she was carrying a basket containing towels and other things. I think Alan Stewart was wearing swimming trunks and had a jacket on. Martin had on jeans and a shirt and was barefooted.

2/...



BOYCE

LOS ANGELES, APRIL 26, SSSE-REUTER - A 23-YEAR-OLD SECURITY CLERK TESTIFIED TODAY THAT HIS OUTRAGE OVER ALLEGED CENTRAL INTELLIGENCE AGENCY INVOLVEMENT IN AUSTRALIA LED HIM INTO A WEB OF BLACKMAIL AND SELLING DOCUMENTS TO THE SOVIET UNION.

CHRISTOPHER BOYCE, WHO WORKED IN THE SECRET VAULT OF THE AEROSPACE FIRM TRW INCORPORATED, SAID WHEN HE FIRST MET ANDREW LEE, WHO IS ALSO CHARGED WITH SPYING FOR THE RUSSIANS, LEE STRUCK UP A CONVERSATION ABOUT CIA ACTIVITY IN CHILE.

BOYCE TESTIFIED THAT HE TOLD LEE AT THAT FIRST MEETING AT A PARTY IN EARLY 1975: "IF YOU THINK THAT'S BAD, YOU SHOULD SEE WHAT THE CIA IS DOING IN AUSTRALIA."

MORE RH/WH

NNNN

G Z N C C D S

URGENT-000000

BOXCE 2 LOS ANGELES

"I TOLD HIM (LEE) PART OF MY DAILY DUTIES AS A TRW SECURITY CLERK WERE TO CONTINUE DECEPTION AGAINST AUSTRALIA," BOYCE SAID, TESTIFYING IN U.S. DISTRICT COURT IN HIS OWN DEFENCE.

HE GAVE NO EXAMPLES OF THE CIA ACTIVITIES HE ALLEGED WERE TAKING PLACE IN AUSTRALIA.

MORE RH/WH

NNNN

G Z N C C D S

### Original telex to Fraser of CIA activities in Australia

6 JUL 1993 15:04

ATT GENERALS

COMMONWEALTH OF AUSTRALIA

AUSTRALIAN SECURITY INTELLIGENCE ORGANIZATION

Telegram  
KODION MELBOURNE



1901 SA 050  
ATT BOURNE

January, 1966.

The Secretary,  
Attorney General's Department,  
CASE 100. A.C.T.

1. Further to my memorandum 15189 dated 3rd December, 1965 the Command of the Croatian Liberation Movement held a camp at Tumbi Umbi near Gosford on 27th, 28th and 29th December, 1965.

2. I have had the opportunity to [REDACTED] which took place at the camp, as well as two camp orders.

Hansard 30.3.71

**PARLIAMENT HOUSE**

(Question No. 854)

Senator CAVANAGH asked the Minister representing the Attorney-General, upon notice:

(1) Did Mrs Dalton on 5th October 1966 before a number of witnesses including an attendant at Parliament House put on a written record that an attempt upon the safety of Parliament House could be expected in about a months time.

(2) Was a person apprehended in November 1966 on the front steps of Parliament House with a sawn-off shot gun in a brief case.

(3) Was it the intention of this person to cover the escape of an accomplice who intended to enter Parliament House by way of the unguarded back kitchen door and proceed to the front door placing explosives as he went through the building.

(4) Was this plan unsuccessful because the latter individual was arrested on the previous day in Sydney and detained.

Senator GREENWOOD—The Attorney-General has supplied the following answer to the honourable senator's question:

(1) Not to my knowledge.

(2) No.

(3) and (4) See (2) above.

Police report on the first attempt to Assassinate Holt in 1966  
by the CIA sponsored C.R.B a right wing paramilitary group.

AUSTRALIAN CAPITAL TERRITORY POLICE

2.8

①



CRIMINAL INVESTIGATION BRANCH.

(Branch)

CANBERRA Police Station, A.C.T.

7th July, 1967.

REPORT OF: Maxwell John Robinson, Detective Sergeant 1st Class.  
SUBJECT: GAJIC, Nedeljko - Charged at Canberra on 24th November, 1966 with possession of a .22 calibre rifle with intent to commit a felony.  
REFERENCE:

The Officer in Charge,  
CRIMINAL INVESTIGATION BRANCH.

1. I have to report that on the 17th November, 1966, Nedeljko Gajic, born 8th September, 1940 at Kramna, Yugoslavia, was arrested at Braidwood, N.S.W., following a complaint from a Mr. Battista Collusi, a Canberra taxi driver, that a man he had picked up outside Parliament House on the 16th November, 1966, had directed him to a point on the Captain's Flat Road and presented a sawn-off .22 rifle to him.

2. During the course of the interrogation at the Braidwood Police Station, Gajic claimed that he had come to Canberra during November, 1966, armed with the .22 sawn off rifle and had taken up a position outside Parliament House with the intention of shooting the Prime Minister, Mr. Harold Holt. After waiting unsuccessfully for a week, Gajic engaged the taxi to take him to a point where he could seek refuge in the bush.

3. At the time of his arrest, Gajic was found to be in possession of a .22 sawn-off repeating rifle, two magazines and a quantity of ammunition, which he claimed to have purchased solely for the purpose of shooting Mr. Holt.

4. On the 24th November, 1966, following his interrogation by Detective Inspector Luton and me, Gajic was extradited to Canberra and charged with being in possession of a dangerous thing, to wit, a .22 calibre repeating rifle, with intent to commit a felony, to wit, to murder Harold Holt.

5. Gajic first stood trial on the 13th December, 1966, but following a disagreement by the jury, he was remanded until the 28th February, 1967 for re-trial. However, the jury again failed to agree, and on the 9th March, 1967, the Deputy Crown Solicitor, William H. Johnston declined to proceed further and Gajic was discharged from custody.

6. On the 9th March, 1967, before Mr. C. Hermes, S.M., in the Canberra Court of Petty Sessions, Gajic pleaded guilty to a charge of possession of an unlicensed pistol at Canberra on the 16th November, 1966, and was fined \$20.50. He was allowed time to pay and left Canberra on the same day.

IN CONFIDENCE

Austrian intelligence report on the Croatian Revolutionary Brotherhood

AUSTRIAN SECURITY INTELLIGENCE INFORMATION



The Secretary,  
Attorney General's Department,  
H.A.C.C.

Further to my Memorandum 15189 dated 3rd December, 1965 the Command of the Croatian Liberation Movement held a camp at Pambas near Woorford on 27th, 28th and 29th December, 1965.

I have had the opportunity to [redacted] which took place at the camp, as well as the camp orders.

About 50 members of the Command of the Croatian Liberation Movement attended the camp. There were representatives from Sydney, Canberra, Wollongong, Melbourne, Geelong, Mordialloc and Tasmania. Apologies were received from Adelaide, Mount Gambier and Fremantle. In addition two Hungarians from Melbourne took part in the camp. They were reported to represent the Hungarian Freedom Fighters and came in the company of Adolf JANKOVIC.

Camp Order No. 1 shows that the agenda for 27th December, 1965 was concerned with the setting up of the camp. Two items in the agenda are of interest:- Item 5 which states: "For Security reasons the taking of photographs without the permission of the Headquarters is strictly forbidden. The Headquarters has authorized only one person to take photographs; Item 7 which states: "All those who have rifles or knives are to hand them in to the Headquarters, and these weapons will be used for the training of all present."

Camp Order No. 2 shows that the agenda for 28th December, 1965 was drawn up along military lines. One period was set aside for a lecture concerning the handling of weapons, and another for military exercises.

One of the two Hungarians, who were dressed in the uniform of the Austrian Army, lectured members of the camp on the necessity of fighting against Communism in Hungary and Croatia. He also gave a lecture on explosives and modern weapons. This Hungarian is believed to be Diamond SAAGHY, who has come to our notice in the past as a confidence man and an untrustworthy individual. No knives were taken into the camp but one rifle, calibre unknown, was used for demonstration purposes.

A [redacted] of the Command of the Croatian Liberation Movement which was held on the 28th December, 1965 and continued on the 29th December, 1965 reveals that much of the discussion covered the successes and failures of the various Croatian Associations affiliated to the Command, the confusion which exists in the Croatian Liberation Movement, and the financing of the Command newspaper, JEDANICA.

Camp Order No. 2 shows that the agenda for 28th December, 1965 was drawn up along military lines. One period was set aside for a lecture concerning the handling of weapons, and another for military exercises.

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The 1968 Australian Army report that states Holt went missing at 10:30 AM and not at 12:45PM as Stewart and the police report state. Stewart admitted that he did not even have a watch with him in his original statement, later changed in the official police report.

REF 40 0040



## AUSTRALIAN MILITARY FORCES

24/1

HEADQUARTERS  
SOUTHERN COMMAND  
VICTORIA BARRACKS  
MELBOURNE  
VICTORIA

24/1 Jan 68

AMQ (2)

### DISAPPEARANCE OF THE RT HON H.E. HOLT PC PRIME MINISTER OF AUSTRALIA

#### General

1. This report details the action taken at HQ S Comd on receipt of information concerning the disappearance on Sun 17 Dec 67 of Mr Holt and in connection with the search that followed.
2. A report by OCS on the occurrences is attached for information.

#### Series of Events

3. HQ S Comd action is summarised as follows:

##### a. Sun 17 Dec 67

- (1) Duty Officer, HQ S Comd, received information at 1440 hrs that the Prime Minister had been last sighted at 1030 hrs and was believed missing. Information was passed to Chief of Staff, and Comd Sec HQ S Comd.
- (2) AIFR, HQ S Comd, despatched to Portsea.
- (3) 28 soldiers from School of Signals were despatched to Portsea arriving at 1900 hrs, and 25 from Watsonia at 1930 hrs.
- (4) A C42 radio link was established from School of Signals, Balcombe to troops at Portsea.
- (5) Additional troops were placed on standby at Broadmeadows and Watsonia but were stood down at 2210 hrs.
- (6) Search of beach was commenced in Point Nepean area by soldiers in small groups. Reliefs were arranged for 18 Dec and also for a prolonged period if required.

##### b. Mon 18 Dec 67

- (1) On request from Portsea the following personnel were provided from School of Signals early 18 Decs

- 1 WO/Lt
- 3 Cooks
- 3 Kitchen Hands
- 3 Stewards
- 9 GD's

The 1968 Australian Army report that states Holt went missing at 10:30 AM and not at 12:45PM as Stewart and the police report state. Stewart admitted that he did not even have a watch with him in his original statement, later changed in the official police report.

14-00000

14/1

HEADQUARTERS  
SOUTHERN COMMAND  
VICTORIA BARRACKS  
MELBOURNE  
VICTORIA

12 JAN 68

14/1

AMQ (2)

AUSTRALIAN MILITARY FORCES

DISAPPEARANCE OF THE RT HON H.E. HOLT PC  
PRIME MINISTER OF AUSTRALIA

General

1. This report details the action taken at HQ S Comd on receipt of information concerning the disappearance on Sun 17 Dec 67 of Mr Holt and in connection with the search that followed.
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- (3) 28 soldiers from School of Signals were despatched to Fortson arriving at 1900 hrs, and 25 from Watsonia at 1930 hrs.
- (4) A C42 radio link was established from School of Signals, Balcombe to troops at Fortson.
- (5) Additional troops were placed on standby at Broadmeadows and Watsonia but were stood down at 2240 hrs.
- (6) Search of beach was commenced in Point Soper area by soldiers in small groups. Reliefs were arranged for 18 Dec and also for a prolonged period if required.

b. Mon 18 Dec 67

- (1) On request from Fortson the following personnel were provided from School of Signals early 18 Dec:

1 WO/Lt  
3 Cooks  
3 Kitchen Hands  
3 Stewards  
9 SN's

URGENT

12 November, 1967.

12602

The Secretary,  
Department of External Affairs,  
Executive Building,  
Canberra, A.C.T.

Croatian Revolutionary Brotherhood of  
(H.R.B.)

A reliable and delicate source operating in the Croatian field has recently reported a visit to himself from interstate of a leading H.R.B. figure. In discussion, the interstate visitor informed the source in strictest confidence, that planning was going ahead to take rapid action in Australia against the assassination in West Germany earlier this year, of a Croatian nationalist extremist. The nature of the rapid action planned was not stated, except that it was to be directed against either the Yugoslav Consulate in Sydney or the Embassy in Canberra.

It would appear probable that the assassination in question is that of Mr. Marijan Simunovic, who was murdered in Stuttgart on the 13th September, 1967.

All sources available to me are being briefed to report any indication of planned action against the Yugoslav Consulate or Embassy. The particular source in question, it is hoped, will continue to be advised at least until details of any planning that may in fact be taking place are complete, if indeed such planning is under way.

Should any further information in this regard become available, I will inform you forthwith.

(C.C.F. 671)

RECEIVED DEPARTMENT OF EXTERNAL AFFAIRS

SECRET

(NLF MR Case No. 89-38

Document No. 44 10

17 September 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Genesis of Project FUBELT

1. On this date the Director called a meeting in connection with the Chilean situation. Present in addition to the Director were General Cushman, DDCI; Col. White, ExDir-Compt; Thomas Karamessines, DDP; Cord Meyer, ADDP; William V. Broe, Chief WH Division; [REDACTED] Deputy Chief, WH Division, [REDACTED] Chief, Covert Action, WH Division; and [REDACTED] Chief, WH/4.

1.3a44

2. The Director told the group that President Nixon had decided that an Allende regime in Chile was not acceptable to the United States.. The President asked the Agency to prevent Allende from coming to power or to unseat him. The President authorized ten million dollars for this purpose, if needed. Further, The Agency is to carry out this mission without coordination with the Departments of State or Defense.

3. During the meeting it was decided that Mr. Thomas Karamessines, DDP, would have overall responsibility for this project. He would be assisted by a special task force set up for this purpose in the Western Hemisphere Division. [REDACTED]

1.3a44

4. Col. White was asked by the Director to make all necessary support arrangements in connection with the project.

5. The Director said he had been asked by Dr. Henry Kissinger, Assistant to the President for National Security Affairs,

DECLASSIFIED - EO 12958, Sec 2.4  
WITH EXEMPTIONS EXCEPT J  
EO 12958, Sec 1.3 (b) (1)

49 89 38, 110, 114, 116, 4/1/94

134 NARA Date 2/4/98

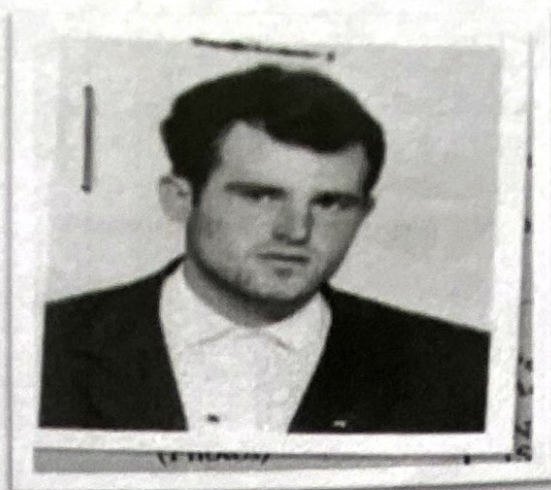
SECRET/SENSITIVE  
EYES ONLY

APPROVED FOR RELEASE  
NOV 2001

PHOTOCOPY FROM GERALD FORD LIBRARY



Nedelko Gajic: Ex Yugoslavian military attempted to assassinate Holt in 1965 under the command of the C.R.B. Protected by ASIO, rightwing political power brokers and backed by CIA. The plot was withdrawn just prior to



Education: Primary	4	Secondary	-	Technical	-	University	-
Language: English	-	German	-	Others	Gajic		
Employment Record							
1954 - 59	Rural Worker on family farm						
59 - 60	Assistant Printer						
60 - 62	Military Service						
62 - 8/63	Art. Printer as above						
Signature	Position etc						

4. On the 24th November, 1966, following his interrogation by Detective Inspector Luton and me, Gajic was extradited to Canberra and charged with being in possession of a dangerous thing, to wit, a .22 calibre repeating rifle, with intent to commit a felony, to wit, to murder Harold Holt.

6. On the 9th March, 1967, before Mr. C. Hermes, S.M., in the Canberra Court of Petty Sessions, Gajic pleaded guilty to a charge of possession of an unlicensed pistol at Canberra on the 16th November, 1966, and was fined \$20.00. He was allowed time to pay and left Canberra on the same day.

IN CONFIDENCE



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## 13

NEW YORK 48 270  
 NEWSPAPER  
 VICTORIA, 1957

13599

U. S. Senator, 1967.

The Secretary,  
Attorney General's Department,  
Administrative Building,  
SAULXIA. A.O.T.

(Attention: Mr. HARDING)

Croatian Revolutionary Brotherhood

Further to my memorandum 8001 of the 17th July 1967.

relating to

1967, please find attached a copy of a further ~~letter~~ letter dated December 1967, which I have now forwarded to the [redacted] LRP

(C.C.F. SPY)

**DIRECTOR GENERAL OF SECURITY**

**SECRET**

you can indicate those which still require  
will have these done in our Sydney office.

(C.C.P. SPAT)

**DIRECTOR-GENERAL OF SECURITY**

**SECRET**

DD FORM 101-1

1 7-13-60 21417H

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2002250615:0 3

~~TOP SECRET~~

DECLASSIFIED  
DEPARTMENT OF THE NAVY  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20350

~~TOP SECRET~~



~~TOP SECRET~~

~~TOP SECRET~~

Op-922HL/gaa  
Ser 00075P92

DEC 7 1965

From: Secretary of the Navy  
To: Distribution List

Subj: Instructions for the coordination and control of Navy's clandestine intelligence collection program

Ref: (a) DOD Directive TS-5105.29 of 21 February 1963  
(b) DIAI 58-18  
(c) DIAI 58-22  
(d) DCID 5/1

1. Purpose. This letter provides guidance for the coordination and control of Navy's clandestine intelligence collection program.

2. Background. As a result of the National Security Act of 1947, as amended, the Navy has been largely inactive in the field of clandestine intelligence collection. The steadily emerging pattern of limited warfare engagements has, however, clearly indicated the need for the development of clandestine assets by the military services in advance of a limited warfare engagement. The Secretary of Defense has therefore established by reference (a) a means for the increased participation by the Department of Defense in clandestine intelligence collection activities. DIA has authorized the individual services to engage in such activities.

3. Definitions.

a. Clandestine Operation. A clandestine intelligence operation is an activity to accomplish intelligence, counter-intelligence, and other similar objectives, planned and executed under the sponsorship of Governmental departments or agencies in such a way as to assure secrecy or concealment of the operation and its sponsor, and to permit plausible denial by the sponsor in the event the operation is

Implying that the massacre of 80,000 people in 1965 was a good thing?

## THE PROBLEM

To assess current trends in Indonesia and to estimate prospects over the next year or so.

## CONCLUSIONS

A. Suharto and his anti-Communist military and civilian coalition are clearly in charge in Indonesia and are likely to remain so, at least for the next year or two. Although Sukarno's influence is declining steadily, he is still a major preoccupation of the regime, an obstruction in its daily work, and a source of political embarrassment. During 1967, however, he will probably be stripped of all effective political power, retaining at most the ability to offer occasional encouragement to frustrated leftist elements.

B. With the Communist Party already destroyed as an effective force in today's politics, the neutralization of Sukarno would greatly improve the outlook for political stability in Indonesia. Nevertheless, there will still be major problems of adjustment. Civilian politicians will be in conflict with military leaders reluctant to share power. And the mass parties of the Sukarno era will have to compete for influence with resurgent and reformist political elements closer to Suharto's "new order."

C. The Indonesian economy cannot quickly recover from a decade and more of ruinous mismanagement, but it is probable that economic conditions will at least cease to deteriorate and begin to improve within a year or two. If foreign assistance continues at high levels and government administration becomes more effective, an economic upturn could probably be sustained until 1970. The need for foreign economic assistance—which can only be expected to come from the US, Japan, and Western Europe—virtually assures continuation of Indonesia's new Western-leaning foreign policies.



CIA notes on first attempt against Holt using the Croatian operative Nedelko Gajic which did indeed fail

ORIG:  
INIT:  
XT:  
DATE:

RESTRICTED HANDLING

CLASSIFIED MESSAGE

Copy \_\_\_\_ of \_\_\_\_

~~SECRET~~

(CLASSIFICATION)

(DATE AND TIME FILED)

~~SECRET~~

PAGE TWO

CITE HEADQUARTERS

0

THAT THESE CONTACTS BE MADE IN THE MOST SECURE MANNER. IT DEFINITELY DOES NOT PRECLUDE CONTACTS SUCH AS REPORTED IN SANTIAGO 544 WHICH WAS A MASTERFUL PIECE OF WORK.

3. AFTER THE MOST CAREFUL CONSIDERATION IT WAS DETERMINED THAT A VIAUX COUP ATTEMPT CARRIED OUT BY HIM ALONE WITH THE FORCES NOW AT HIS DISPOSAL WOULD FAIL. <sup>TIME</sup> ~~THUS~~ IT WOULD BE COUNTERPRODUCTIVE TO OUR ~~OBJECTIVES~~ <sup>CIP</sup> ~~OBJECTIVES~~. IT WAS DECIDED THAT ~~WE~~ GET A MESSAGE TO VIAUX WARNING HIM AGAINST PRECIPITATE ACTION. IN ESSENCE OUR MESSAGE IS TO STATE, "WE HAVE REVIEWED YOUR PLANS, AND BASED ON YOUR INFORMATION AND OURS, WE COME TO THE CONCLUSION THAT YOUR PLANS FOR A COUP AT THIS TIME CANNOT SUCCEED. FAILING, THEY MAY REDUCE YOUR CAPABILITIES FOR THE FUTURE. PRESERVE YOUR ASSETS. WE WILL STAY IN TOUCH. THE TIME WILL COME

COORDINATING OFFICERS

....CONTINUED....

DELEGATING OFFICERS

~~SECRET~~

AUTHENTICATING OFFICERS

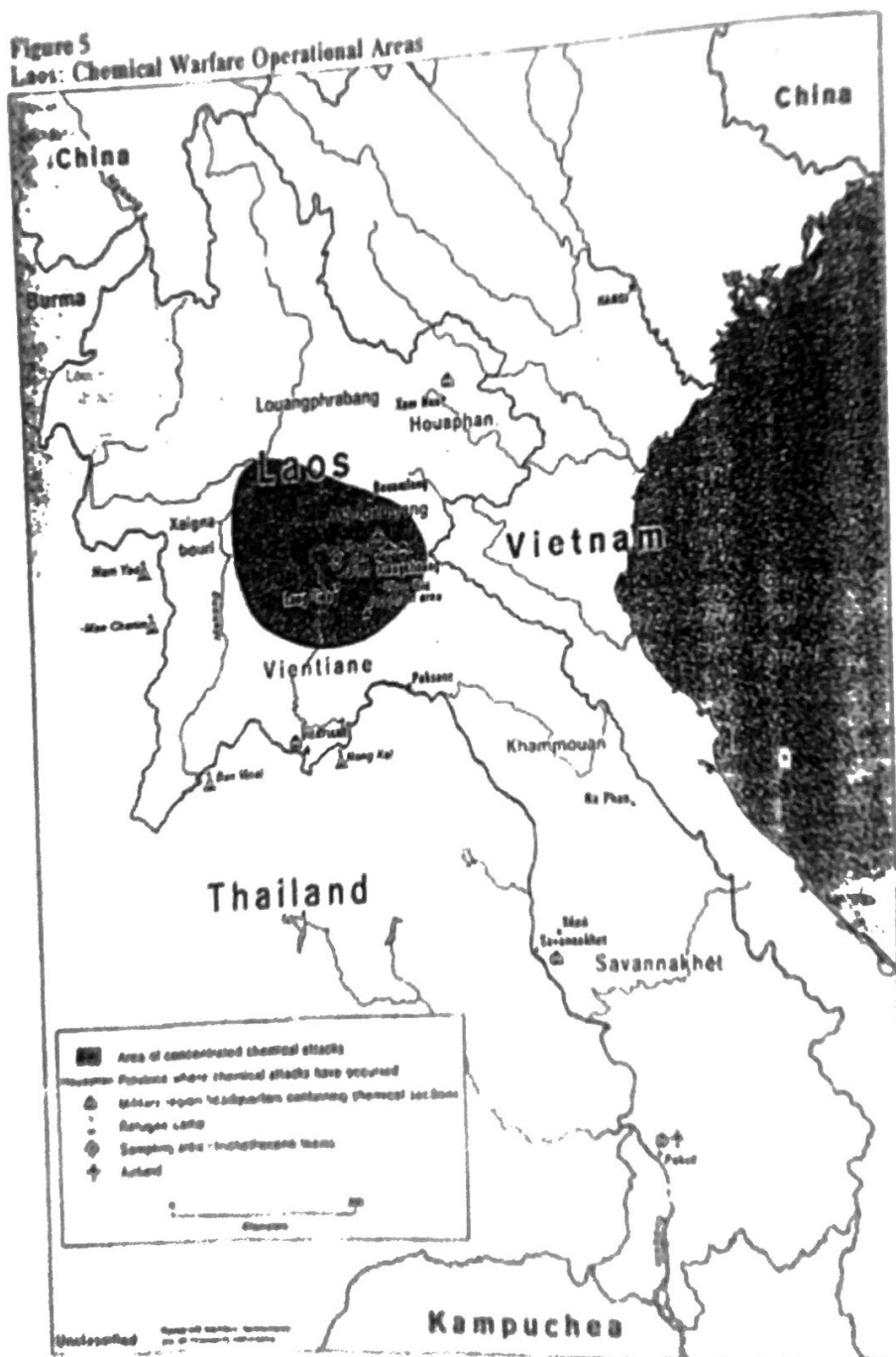
THIS FORM FOR USE BY AUTHORIZED RESTRICTED HANDLING MESSAGE USERS ONLY

7 2206

00-000

CIA paper admitting chemical warfare in Laos around the same time that Hand leaves Australia for Laos. Holts administration was asked by Robert Macnamara to test sarin nerve gas on Australian troops in 1965. Agent orange was the end result.

Figure 5  
Laos: Chemical Warfare Operational Areas



RESTRICTED/NOFORN MESSAGE ☒ BE DELIVERED DIRECTLY TO SPECIAL ☒ CENTER.  
 1 DO NOT, EXCEED 50 CHARACTERS PER LINE, INCLUDING SPACES.  
 10-1276 Sec. 1.1 (a) (1)  
 10-1276 Sec. 1.1 (a) (2)

MC 19-38, 111 C.A. 19-38  
194  
By COOY. H. A. D. 111-111

~~SECRET~~

LESNA

enabled circuits

REGISTRATION

Date and Time Filed:

**STRENGTH**

CITE HEADQUARTERS 802

IMMEDIATE SANTIAGO (EYES ONLY ~~XXXXXXXXXX~~)

16-14082 Oct 78

1. ~~TRAKTOR~~ PC

1. ~~REDACTED~~ POLICY, OBJECTIVES, AND ACTIONS WERE

REVIEWED AT HIGH USG LEVEL AFTERNOON 15 OCTOBER. CON-

CLUSIONS, WHICH ARE TO BE YOUR OPERATIONAL GUIDE, FOLLOW:

2. IT IS FIRM AND CONTINUING POLICY THAT ALLENDE

BE OVERTHROWN BY A COUP. IT WOULD BE MUCH PREFERABLE

TO HAVE THIS TRANSPIRE PRIOR TO 24 OCTOBER BUT EFFORTS IN

THIS REGARD WILL CONTINUE VIGOROUSLY BEYOND THIS DATE.

WE ARE TO CONTINUE TO GENERATE MAXIMUM PRESSURE TOWARD

THIS END UTILIZING EVERY APPROPRIATE RESOURCE. IT IS

IMPERATIVE THAT THESE ACTIONS BE IMPLEMENTED GLANCESTNELY

AND SECURELY SO THAT THE USG AND AMERICAN HAND BE WELL-

HIDDEN, WHILE THIS IMPOSES UPON US A HIGH DEGREE OF

### SELECTIVITY IN MAKING MILITARY CONTACTS AND DICTATES

### CORPORATION OFFICES

....CONTINUED....

RECEIVED OFFICE

品類別、用途別、製造方法別、規格別、標準別

THIS FORM FOR USE BY AUTHORIZED RESTRICTED HANDLING MESSAGE USERS ONLY



COMMONWEALTH OF AUSTRALIA

TREASURER

4 JUL 1967

SECRET

My dear Prime Minister,

A few weeks ago I interviewed Mr. Krygiar and Mr. Owen Barries from the Australian Association for Cultural Freedom. You will, no doubt, know something of this organisation, its international affiliations and its political orientation.

The main point these gentlemen raised with me related to the relationship that exists between "Quadrant" - the Association's journal - and the Commonwealth Literary Fund. Their basic proposition was that "Quadrant" should receive the same support from the Literary Fund as that afforded to "Meanjin" and in this regard they alluded to discussions some time ago with Sir Robert Menzies.

I am conscious of the processes by which expenditures are made from the Literary Fund. Nevertheless, I think I should let you have my own personal appreciation of the situation, which is that "Quadrant" is doing a magnificent job and should at least have the same subsidy as "Meanjin".

Yours sincerely,

William McMahon

(William McMahon)

When you have  
a free moment  
would you please  
speak about this.  
Wm.

The Hon. H.E. Holt, M.P.,  
Prime Minister,  
Parliament House,  
Canberra, A.C.T.

Is the journal of the  
Federation a recipient  
from the C.I.A.?

Wm.

1. 29.6.67  
2. 1.7.67



SECRET

NO 547

INTERNATIONAL EXCHANGE REPORT  
ON PLANNING FOR JOINT UNITED STATES/AUSTRALIAN  
DEFENCE SPACE RESEARCH FACILITY

INTRODUCTION

Previous Consideration

1. In September 1966 proposals for the establishment of a joint United States/Australian Defence Space Research Facility near Alice Springs were received informally from representatives of the United States Department of Defense. These proposals were outlined to Cabinet by the Minister for Defence. Cabinet (Decision No. 546 dated 21st September, 1966) indicated in principle its willingness to support such a proposal if it came forward.

United States Proposals

2. The official United States proposals have now been presented in the form of a note dated 17th October to which are annexed two draft agreements. Copies of these papers are attached. The first draft agreement is at Government to Government level setting down the terms upon which each would agree to establishing a Joint Defence Space Research Facility in Australia. The second agreement which follows from the first is an implementing arrangement between the two agencies who it is proposed will be responsible for carrying out the project on behalf of the two Governments: in the case of Australia, the Department of Defence and in the case of the United States, the Advanced Research Project Agency (ARPA), a civilian agency of the United States Department of Defense.

The Facility

1. The proposed facility will be established on a site known as Pine Gap some 12 miles south west of Alice Springs. About 10 square miles of land will be required as a buffer zone to reduce electrical interference and for security, although the facility itself will be built

SECRET

./1

Holt firmly supported the construction of Pine Gap.

My dear Treasurer,

Now that our campaigning and the election are over, I would like to write to you in connection with your letter of 2nd November about the joint United States / Australian Defence Space Research Facility.

The main purpose of your letter was to suggest that you should have a close and continuing association throughout the discussion of the financial arrangements for projects of this kind. As to this, I, of course, agree, and I feel sure that our colleague, the Minister for Defence, would similarly agree.

Your letter might perhaps be taken to suggest that on the recent occasion there was some shortcoming in the matter of keeping you and your Department in touch with developments, but my impression is that you do not mean it to be read in that sense. The real issue in the instance just past was not how much the American Government would pay towards the cost, because the situation was clearly that it would, in the last analysis, meet all costs associated with the project. What was at issue was whether, notwithstanding the American position, we would see it as being to our advantage to meet the costs ourselves under certain headings of expenditure.

When I ultimately spoke to Mr. Cronk, in the absence of the Ambassador, he indicated, rather more definitively than hitherto, that the United States would like to have an Australian contribution under the headings in mind. He explained that this development in the American position had come to be to some extent related to the probability, which had emerged, that Australian income tax would need to be levied on American project personnel who would be in Australia longer than 18 months. It was presumably this eventual linking of the tax aspect which led Mr. Cronk to refer to the American proposition as a package. But the fundamental thing was that the American offer to find the whole cost if necessary remained.

Having regard to the views which were expressed by our colleagues generally in the Foreign Affairs & Defence Committee, to the effect that it would be to our ultimate advantage to pay certain costs, and also to my estimation that the firmer American approach would affect your own view, I had no real hesitation in adopting the proposition that Australia should meet certain costs, and thus concurring in what Mr. Cronk referred to as a package deal.

Yours sincerely,

Signed

(Richard Holt)

The Right Honourable R. Holt, M.P.

*For Mr. Holt*  
*Mr. Bailey*  
*P/A - Cabinet*

# political cover up of Croatian extremists in government black operation

EXTRACTED FROM THE INTERNALS OF THE  
MINISTER OF DEFENCE'S OFFICE

Selected points for speech in House in connection with the above

(a) What is the real issue in Senator Murphy's actions re. revelations?

- The existence of terror organisations in Australia.

- (i) The Liberals have gone soft and quiet on these
- (ii) Even now, none of them has substantially or effectively denied the proof of Senator Murphy
- (iii) Greenwood's own defence has now publicly acknowledged their existence - but he had shut up about them, and even worse, had created an atmosphere of understating towards them.

- Then write past activities by yourself and others to expose these terror organisations.

(b) Second issue in relationship between the Government and Asia

or, in other words, between the Parliament and Asia and the People and Asia.

What should this relationship be? Responsibility to the Parliament through the appropriate Minister.

A.L.P. policy is simple commonsense on this.

Attitude of past government: (i) "State within a State"

- (ii) Absolute secrecy - compare this with (\*) Labor's open Government in revealing all details
- (\*) Hypocrisy of Liberals in Opposition - after telling Parliament nothing in Government, demand to know everything in Opp'n.

(c) The Real Purpose of the proposed "judicial inquiry"

(i) Diversion from the real issue of existence of terror org's  
- It's not the only issue to be the "raids" and not terror that they have encouraged and sympathised with

(ii) Personal vendetta against Senator Murphy

- Senate "NO CONFIDENCE" MOTION
- Now this specious and phoney diversionary tactic.



SECRET

REPORT

- 12 -

28. A distinction can be drawn between provision of housing for Australian employees and provision of housing for American citizens resident in Alice Springs. However the USA has constructed 130 houses at North West Cape for United States citizens and NAA have similarly constructed a number of houses at Tennant. It is considered therefore that the Americans should be asked to follow suit in Alice Springs.

#### Schooling

29. Enquiries reveal that there is adequate capacity in existing schools to accommodate the likely increase in the number of children in Alice Springs resulting from the planned build up of both U.S. and Australian families in 1967/68. If the majority of Australian job opportunities are taken up by families not normally resident in Alice Springs additional schooling for approximately 200 children could be required in 1969. Current plans to cater for natural growth are to expand school facilities in 1970. Thus the existing programme could need to be advanced and expanded by an additional 7 classrooms estimated to cost about \$200,000 in 1966/67. The Committee felt that any expansion required should be an Australian commitment.

#### SUBMISSION

30. Assuming that Cabinet wishes to confirm its earlier agreement in principle to support the United States proposal the Committee recommends:-

- (a) that the provision of the necessary land at Alice Springs be approved;
- (b) that SOZL as adapted should apply where appropriate to the present project;
- (c) that it be accepted that the agreement should remain in force for at least ten years.

31. On the question of taxation the Committee invites attention to the advice that in the light of the decisions made in the case of NAA, North West Cape and SRAFA, the Department of the Treasury would not oppose the provision proposed by the Americans in the present agreement.

SECRET

..../124



31.5.65

in that advice that this letter  
was sent under cover of a personal  
letter from Treasurer to Mr. R.  
replying to the letter of May 7.

Dear Mr. Rockefeller,

R 1/6

You have advised me that your Bank is considering the question of establishing a representative office in this country and have sought my advice in that connection.

So far as the Commonwealth Government is concerned, there would be no objection to the establishment by The Chase Manhattan Bank of a representative office in Australia provided the representative office confined its business to the conduct of purely liaison activities and did not engage in any form of banking business, such as receiving deposits, granting loans, issuing bills, establishing letters of credit or buying or selling foreign exchange.

The effect of these conditions is that the function of the representative office would be limited to maintaining a liaison between The Chase Manhattan Bank and its Australian business connections, particularly its Australian correspondent banks. As a liaison office, it would not engage directly in financial transactions on behalf of the Bank, except, of course, in transactions necessary for and incidental to the maintenance of the office in Australia.

As you are aware, it is the long-standing policy of the Government not to issue authorities to overseas banks for the conduct of banking business in Australia.

I should add that, if The Chase Manhattan Bank decides to establish a representative office in Australia on the conditions outlined above, the Treasurer's written consent would be required in accordance with section 66 of the Banking Act 1959 for the use of the word "bank", "banker" or "banking" or any word of a like import in the description of the office. In this connection I would favourably consider any request by The Chase Manhattan Bank to use, for instance, the word "Bank", as part of the Bank's name, in an appropriate description of the representative office.

Yours sincerely,

(HAROLD HOLT)  
TREASURER

Mr. D. Rockefeller,  
President,  
The Chase Manhattan Bank,  
1 Chase Manhattan Place,  
NEW YORK.

Original sent to  
Secretary  
31.5.65

5/F 64/1000 73  
JUL 12 1968  
BATMAN HOUSE  
103 WILLIAM STREET  
MELBOURNE

August 6, 1968.

Dear Roland,

Thank you very much for your letter of August 2 with its enclosures.

First of all let me say how much I appreciate your nice remarks about my appointment.

The information contained in the Treasury papers will, I think, give me all that I need for the first meeting which is scheduled for next month. There will no doubt be occasions when I will be grateful for other information or guidance, and perhaps this is likely to be particularly so if I have a meeting at a time when the annual survey of the Australian economy happens to be out of date.

I will certainly not hesitate to let you know when I feel that I need further help.

I was very interested in your survey of the position of the Commonwealth Government in relation to the Chase Manhattan Bank and overseas banks generally. Part of what you say was already known to me in another capacity. My partner, Jim Forrest, has been giving legal advice to Chase Manhattan in relation to the setting up of a representative office and I came into two or three of these discussions. However, nothing has been said to me in regard to Chase Manhattan taking part in ordinary Australian banking business, although I do remember that at the question session at the Seminar, somebody asked a question on this subject which was answered by Harold Holt.

Also one other overseas bank has mentioned to me in a fairly casual fashion that it was interested in engaging in Australian banking business if it could get Government approval to its doing so. Therefore I am grateful to have from you a clear statement of the Government's position in this regard.

With all best wishes.

Yours sincerely,

Sir Roland Wilson, KBE,

*Colinvaughan*

ATF  
Zur. G. for H. W.  
R. 7/8  
L. H. H.  
M. C. H. 9/1

COPY NO. 2 OF 3 COPIES

3

NR/IC

Distribution: Copy 1 - E.M.  
- 1 - File  
- 1 - Sir John Bunting

THE PRIME MINISTER

....  
I attach for your information a copy of a letter I have written to Mr. Shaw of External Affairs. My letter was to give Mr. Shaw an account of a conversation with the New Zealand High Commissioner, and I think it is desirable for you also to know about what took place.

2. The New Zealanders are plainly displeased with us. We have been in some sort of discussion with the Americans about military planning without having put them in the picture. External Affairs, Defence and now I have each been in receipt of a call in the last 24 hours.

3. New Zealand got to know of the subject by means of a copy of Sir Alec Douglas-Home's message to you last week - he sent a copy to Mr. Holyoake personally.

4. I sensed that New Zealand felt that we had been going behind their backs. The line I took therefore was, as you will see, to say that everything was highly preliminary and so far insubstantial. I have in truth slightly understated the significance of your Washington talk, but that was how I felt I should play it.

5. Next week when a reply to Sir Alec Douglas-Home is under discussion, we must consider sending a message to Mr. Holyoake.

EJB

(E.J. Bunting)

27th August, 1964.

2

14

AUSTRALIAN HIGH COMMISSION, WELLINGTON

TOP SECRET

MR. CAMERON

SIR ROBERT MCDONALD

Would you please send a message from me to the Prime Minister in the following terms.

BEGINS:

"I have asked my High Commissioner to arrange for you to see the message which we sent last night to the British Government in reply to the inward message from Britain received on 12th September.

I want in addition to say something on the matter of contingency planning. What I say has by now a slightly retrospective note since contingency planning is referred to towards the end of our message of last night to the British Government and you are of course already in receipt of Sir Alec Douglas-Home's message of 17th August.

I found when I visited Washington in June that both Rusk and McNamara talked to me about the desirability of joint contingency planning in relation to overt military action by Indonesia. They had an impression that there could be some disinclination on the part of the British to have joint discussions and they suggested, subject to my own views on the matter, that I should raise the topic with British Ministers when I got to London. This I did and you have seen the resulting message from Alec Home. I replied to Home at the end of last week and at the same time sent a message to Rusk. I told Home that I would send you a message also.

The messages that I sent to Home and Rusk were similar and conveyed two matters - first, the importance we attach to close Anglo-American consultation in the present Indonesia/Malaysia situation



Australian intelligence memo proving Commander Titcombe worked for ASIO  
Signed by Leo Carter a known Mike Hand/ Nugan Hand associate inside ASIO

SECRET

COMMONWEALTH OF AUSTRALIA

AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION

TELEGRAMS:  
"ASISIST", SYDNEY

FORM 1034, G.P.O.  
SYDNEY

66

6551

5th January, 1947.

Headquarters, A.S.I.O.

Ronald Mervyn TITCOMBE

40/9/1913

Applicant for Employment with A.S.I.O.

With reference to your 40/9/1933 Memorandum No. 16233 of 22nd December, 1966 regarding the abovenamed applicant, it is advised that enquiries indicate that Lieutenant Commander TITCOMBE is currently residing at Discovery Street, (number thought to be 73) Red Hill, Canberra.

2. In the circumstances you may wish to direct a copy of your above quoted memorandum to Regional Director, A.C.T. for the necessary action.

3. To ensure uniformity of recruitment, Lieutenant Commander TITCOMBE'S qualifications have been noted for future guidance.

*Leo Carter*  
A/ DEPUTY DIRECTOR-GENERAL (N.S.S. OFFICIAL ST)



41. 27

SECRET

Hansard 30. 3 71

**DEATH OF MR HAROLD HOLT**

(Question No. 857)

Senator **CAVANAGH** asked the Minister representing the Attorney-General, upon notice:

(1) Is it a fact that on the day following the termination of the official search for the body of the late Prime Minister, Mr Holt, at Portsea, Victoria, 4 shots were fired at a car carrying a consultant on Navy underwater medicine and a companion who were visiting the area to make a private investigation.

(2) Was the shooting reported to and investigated by the Police; if so, what were the results of the investigations.

Senator **GREENWOOD**—The Attorney General has supplied the following answer to the honourable senator's question:

(1) No. 857. (2) See (1) above.

Department of Immigration and Ethnic Affairs

IN REPLY PLEASE QUOTE

SRP 135/80  
SRS:VCP:NC

A/SECRETARY :

THROUGH  
Director  
Special Reports Section

NUGAN HAND

On 21 August 1981 you asked the Special Reports Section what is known of a Robert HO who was referred to in a report concerning Nugan Hand which appeared in the SYDNEY MORNING HERALD dated 21 August 1981.

2. ROBERT HO KIN KONG B. 17 May 1941 in Hong Kong entered Australia on 19 March 1960 and was naturalized on 18 October 1961. Mr Ho is a director of Twin Kitchen Catering Service which operates the restaurant, Ho's Place.

3. Mr Ho has never been used as an interpreter by the Department and there is no record of any payment having been made by the Department to Ho for interpreting/ translating services over the past 2 years.

4. Regarding the press report, I have been informed by the Nugan Hand police task force that the story was concocted by a person in Sydney who has, to say the least, had a chequered career. The story, as it relates to Ho, is incorrect. He has been interviewed by the police who are completely satisfied that Ho was never involved with Hand. Possibly relevant is the fact that Ho was a customer of the butcher, Winter, whose identity Hand is alleged to have assumed.



WARREN C. PERRAM  
A/Asst Director  
Investigations  
Special Reports Section

28/8/81

0109/0447

COMMONWEALTH OF AUSTRALIA

Nº 10976

DEPARTMENT OF IMMIGRATION,

Ref. No.

160/75753

Sydney

12/11/1967

**AUTHORITY FOR DEPARTURE**

Approval is hereby given pursuant to the terms of the

General

Assisted Passage Scheme for the departure from Australia of

(Full name)

Michael HAND

who arrived in Australia by

A/c

(Ship/Air)

on 22-9-67

(Date)

under

USA

nomination.

Authority to depart from Australia is granted on the basis of

Central Office

confirms CAPS subsidy not paid.

Additional endorsements

(if any)

W. B. Dawson  
for Secretary.



proof that ASIO endorsed Hands visa for unlimited re-entry into Australia

**RE-ENTRY VISA**

A visa/endorsement was on 19/12/69  
placed in Passport No. 61143152  
issued in favour of H.A.N.D. Michaelson

\* Cross out  
if not  
applicable }

The visa/endorsement included the ~~grantee~~  
his wife .....  
and children .....  
.....  
.....

Replica of visa/endorsement

VISA FOR AUSTRALIA	
(Subject to grant on arrival of an entry permit under the Migration Act, 1958, 1960)	
1. Visa Number	<u>43088</u>
2. Type of Visa	<u>RESIDENT</u> Re Entry
3. Date of issue	<u>12-12-69</u>
4. Date of expiry	<u>12-12-76</u>
5. Good for	<u>1</u> year to Australia until date of expiry, subject to passport remaining valid
6. Period of stay in Australia which may be authorised by immigration permit on arrival	<u>1</u> year
7. Special conditions	<u>None</u>
8. Visa Fee	<u>0</u>
9. Signature of issuing Officer	<u>[Signature]</u>
10. Place of issue	<u>Canberra</u>

83360

NU3088  
[Signature]

Clearance for M Hand to travel to Laos from Australia just prior to Holt's death on CIA business

REQUEST FOR CLEARANCE TO LEAVE AUSTRALIA

Name: HAND, Michael  
Family Composition: Single  
Residence: G.A.P. Nationality: USA  
Address: 49 Bay St. Double Bay.  
Arrival Details:  
Ship: AK Date: 22-9-67 Port: Sydney  
Age: 31-12-41 DOB: 20  
Occupation: Real Estate Developer  
Reason: Visit to Laos.

Absent about 2 weeks.

USA not  
signed.

Remarks:

Returning to Australia.

Central Office confirms G.A.P.  
Subsidy \$144.00. not paid.

Departure: 15-11-67.

Amount Due: \$

Votes:

Clearance No:

10976

L. B. Sam.

15/11/67. Interviewer.

PAID TO  
COMMONWEALTH PUBLIC ACCOUNT

RECEIPT No.

ISSUED ON

R.P.M.

THIS PAGE IS REPRODUCED FROM A BADLY FADED OR ILLEGIBLE SOURCE.  
SCANNING THIS ITEM AT A HIGHER RESOLUTION WILL NOT IMPROVE ITS LEGIBILITY.

DEPARTMENT OF IMMIGRATION

INWARDS Teleprinter Message

Canwood

P68/34014.  
JUL 20/6.

C7755 19/7/68 9.43AM LW

CANWOOD SYDNEY N68/34014 FROM KYBURZ 08/19791

MICHAEL HAND US GAPS - QUESTION OF REPAYMENT OF OPC. UNABLE  
TO LOCATE ANY RECORD OF THIS PERSON. PLEASE ADVISE IF YOU HAVE  
ANY REFERENCE WHICH MAY HELP

.....

*Mr Kyburg  
c/o informed of situation  
by phone 22-7-68*

*A/R informs  
does still in c/o*

*Advised Kyburg by  
phone that use passport  
refused - advised GAPS.*

*19/7/68*

TELEX  
RECEIVED

SIG. \_\_\_\_\_

TIME \_\_\_\_\_

DATE 19 JUL 1968

*(c/o) A/R to obtain doc.  
from Longwell  
to ascertain when A/R's  
signature was made*

Cable to Washington regarding Nugan Hands Drug activities

(85)  
13/12/51

80/95509  
81/12226 (attached)

AUSTRALIAN EMBASSY  
WASHINGTON

ATTENTION: Mr V. Slater  
Regional Director  
North America

NUGAN HAND  
Your cable WH 10370 refers

Special Reports Section is not in a position to provide a comprehensive background brief on the activities of and enquiries into the NUGAN HAND organization. However, attached for your information are newspaper and journal articles together with an extract from the Further Report of the Royal Commission into Drug Trafficking which may be of some assistance to you.

The organization is the subject of continuing enquiries by a Police task force.

4/2/51

Signed

R. B. PENKETHOGAN  
Director  
Special Reports Section

26 11/51

Attachments



# Nugan hand investigation document

PA 17344

PRINTED BY PCPO

O.813583 1955 16.4.90 JAG

TO: CANBERRA/5142

IN: SINGAPORE / FILE 1501/-

UNCLASSIFIED

SINGAPORE 1 NUGAN HAND



THE INVESTIGATION CURRENTLY BEING CONDUCTED INTO THE ACTIVITIES OF THE NUGAN HAND GROUP IN AUSTRALIA HAS ATTRACTED CONSIDERABLE INTEREST IN SINGAPORE WHERE A NUGAN HAND BRANCH OFFICE WAS OPENED IN FEBRUARY 1973.

2. ON 15 APRIL SINGAPORE POLICE SEIZED THE RECORDS OF THE NUGAN HAND OFFICE AND QUESTIONED COMPANY EMPLOYEES REPORTEDLY JUST IN TIME TO PREVENT RECORDS AND FILES FROM BEING SHIPPED TO THE CATHAR ISLANDS. WHAT THEY FOUND WAS REPORTEDLY SUFFICIENT FOR CHARGES TO BE FILED AGAINST COMPANY OFFICIALS. ~~MANAGEMENT SERVICES PTE, SINGAPORE~~ WAS ALLEGEDLY A SUSPICION OF OPERATING A BANKING BUSINESS WITHOUT THE REQUISITE BANKING LICENSE BUT WAS SUBSEQUENTLY RELEASED. IT WAS ALSO REPORTED THAT THE POLICE WERE LOOKING FOR TWO AUSTRALIAN EXECUTIVES FROM THE COMPANY BUT THAT THEY HAD BEEN UNABLE TO CONTACT THEM AS THEY HAD RETURNED TO AUSTRALIA. THE MONETARY AUTHORITY OF SINGAPORE IS CONDUCTING AN INVESTIGATION IN PARALLEL WITH THAT OF THE POLICE.

3. THESE EVENTS WERE THE SUBJECT OF AN EDITORIAL IN THE BUSINESS TIMES OF 16 APRIL CALLING FOR STRICTER CONTROLS OF FRINGE BANKING GROUPS. THE EDITORIAL SAW THE PROBLEM AS LYING IN THE DEFINITION OF WHAT EXACTLY CONSTITUTES BANKING BUSINESS AND IT HOPED THAT A REVISION OF THE BANKING ACT NOW UNDER WAY WOULD PROVIDE THE MONETARY AUTHORITIES WITH THE POWERS TO POLICE WHAT WAS CLAIMED TO BE A VERY GREY AREA OF THE INDUSTRY.

XC. O.813583 1955 16.4.90 5142 1501/-

OM.

ACTION: DEP FOREIGN AFFAIRS  
DEP INDY COMM T/T

PRIME MINISTER  
FOREIGN MINISTER  
DEP ATTORNEY GENERAL  
DEP FINANCE  
DEP P M AND CABINET  
DEP TDE AND AGCS  
DEP TREASURY  
CHA  
JIO

*K. Brown*

# Nugan Hand investigation file

## Department of Immigration and Ethnic Affairs

IN REPLY PLEASE QUOTE 80/95509

ACTING SECRETARY

*Minister*  
*2 p.m.*  
*Well*  
*26/8/80.*  
Nugan Hand Bank

Your comments on cable KL37754 attached  
refer

Files on entrepreneur applications made in Hong Kong and Kuala Lumpur and approved in central office have been examined but no suspect cases were detected. The names have been passed to Hong Kong and Kuala Lumpur for further investigation.

2. Only one approval with Nugan Hand Bank connections has so far been confirmed under the small businessman provisions of policy. Approval was given by Kuala Lumpur. Nugan Hand had provided a letter indicating the applicant held a fixed deposit of \$90,000 which would be used to support an investment project in Australia. Registry checks by the Regional offices in Sydney and Melbourne have been negative.

4. I have been in touch with the Department of Prime Minister and Cabinet (Mr J. Woodlock - Security Branch) concerning information which might come to light from our enquiries. He said that the Co-ordinating Group of Senior Officials following through on the William's report would not be interested in any specific way but we should keep the information flagged should it be called for. However, he thinks it is likely the IDC dealing with certain aspects of the Woodward Report may be interested in what we may find as Nugan Hand has been specifically mentioned in the second Woodward report.

5. Minister has been and will be kept informed of any applications which indicate a connection with Nugan Hand.

*A. Robertson*  
A. ROBERTSON  
Selection & Review Branch

26 August 1980

Titcombe was still in naval intelligence in late 1967 whilst in the employment of ASIO

CONFIDENTIAL				Half yearly recommendation																									
Decision for report for promotion																													
Date of form	Rank	Security	Citation Name	Surname																									
30.3.50	LCLM MSE RAI	10.6.62	Ronald Mervyn	TITCOMBE																									
Ship or establishment <b>HARMAR (NAVY OFFICE)</b> Station or command <b>AUSTRALIA</b>																													
Period of report From <u>22.7.67</u> To <u>15.11.67</u>			Specialisation Sub-specialisation		Low GL																								
			EX TAS(MOD)																										
Duties on which employed <b>Staff of DTWP (Minecountermeasures)</b>																													
<b>SECTION I Specialisation/Departmental Report</b> <p>A competent staff officer who is eager to ensure that mine warfare and diving matters are put on a recognisable and appropriate basis in the RAN. He is very well informed on both these subjects, probably uniquely so in the case of the latter. He works hard and it is to his credit that until recently he has successfully handled all diving matters at Navy Office. He is in current diving practice. (Continued overleaf)</p> <p>Signature and rank <u>J.D. Stevens</u> <b>(J.D. STEVENS) CAPT. RAN.</b></p>				<b>SECTION II</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>(a) Test &amp; energy</td><td style="text-align: center;">7</td></tr> <tr><td>(b) Reliability</td><td style="text-align: center;">7</td></tr> <tr><td>(c) Commanding</td><td style="text-align: center;">6</td></tr> <tr><td>(d) Intelligence &amp; reasoning power</td><td style="text-align: center;">6</td></tr> <tr><td>(e) Initiative &amp; shrewdness</td><td style="text-align: center;">7</td></tr> <tr><td>(f) Leadership</td><td style="text-align: center;">6</td></tr> <tr><td>(g) Power of expression</td><td style="text-align: center;">6</td></tr> <tr><td>(h) Organising ability</td><td style="text-align: center;">7</td></tr> <tr><td>(i) Team &amp; co-operation</td><td style="text-align: center;">5</td></tr> <tr><td>(j) Social attributes</td><td style="text-align: center;">6</td></tr> <tr><td style="text-align: center;">AVERAGE</td><td style="text-align: center;">6.3</td></tr> <tr><td colspan="2" style="text-align: center;"><u>SENS. + 0.2</u> <u>6.5</u></td></tr> </table>		(a) Test & energy	7	(b) Reliability	7	(c) Commanding	6	(d) Intelligence & reasoning power	6	(e) Initiative & shrewdness	7	(f) Leadership	6	(g) Power of expression	6	(h) Organising ability	7	(i) Team & co-operation	5	(j) Social attributes	6	AVERAGE	6.3	<u>SENS. + 0.2</u> <u>6.5</u>	
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<b>SECTION III General Report</b> <p>A smartly dressed officer who takes pride in his appearance, in the service generally and in his sub specialisation particularly although he is aware of the shortcomings of the latter.</p> <p>Sometimes his enthusiasm leads to short cuts but in most cases his judgment (not always the method) has been vindicated.</p> <p>He is outstandingly loyal, both to his seniors and his juniors and gets on well with his fellow officers.</p> <p style="text-align: right;">(Continued overleaf)</p>				<b>SECTION IV</b> Suitability for promotion (a) If eligible: <b>NOW, NOT NEXT YEAR</b> (b) If not eligible: <b>EARLY, IN ORDINARY COURSE, LATE, NOT AT ALL, ETC.</b>																									
<b>SECTION V Appointing Information</b> (i) Suitability to sub-specialise (ii) Suitability for any special type of appointment; any GLEX posting in rank of Commander (iii) Proficiency in languages (iv) Proficiency in games, athletic prowess (v) Aircrew Officers assessment of flying proficiency (FAA Article 6143) I have informed this officer of any adverse comments made in Section I and III above which are within his powers to remedy. Date <u>15.11.67</u> Signature and rank <u>J.D. Stevens</u> <b>(J.D. STEVENS) CAPT. RAN. D.T.W.P.</b>																													
<b>SECTION VI</b> Remarks of Senior Officer <div style="text-align: center; font-size: 2em;">Conced</div> <div style="text-align: right;">             INDEX ERROR <u>FA 2</u>  <u>J.A.T. Smith</u>              Signature and rank <b>(J.A.T. SMITH) REAR ADMIRAL</b>              Date <u>15.11.67</u>  <small>*Sign if not appropriate</small> </div>																													

CONFIDENTIAL

Commonwealth and Victoria Police Report on  
Disappearance of Mr. Holt - 1968-1969.

NOTE FOR FILE:

On 10 January, 1968, my secretary (Miss Coulton) took a Sydney call from Mr. Kelly of the Daily Mirror in which Mr. Kelly said that he wished to speak to me about the police report relating to the disappearance of Mr. Holt. Mr. Kelly asked whether the report would be released and by whom it would be released. Mr. Kelly said that he would call me back before mid-day, but he did not do so.

2. On 11 January, I received a Canberra call from a Mr. Chris Freeman of the Daily Mirror. Mr. Freeman asked whether a report had been received and he enquired as to its nature. I spoke to him on the following lines - it was correct, as had already been stated in the press, that the Commonwealth and Victoria police had worked together in compiling a report; this was simply a straightforward statement of events, including an account of the thorough search that had been made, which, as Mr. Freeman would know, had been terminated on Friday last; the report was not in any sense part of any formal Commonwealth enquiry; it was simply a record of events which, presumably, would be of assistance for purposes such as the issuing of a writ by the Speaker for the by-election in the Electorate of Higgins. Mr. Freeman asked whether the report made any suggestions as to what had happened - e.g., whether Mr. Holt had been washed out to sea. Without dwelling on this aspect, I said that the report made some incidental comments in the light of the record of events. Mr. Freeman said that he supposed that I would not know whether the report would be made public. I said that this was correct and that I was not in a position to say whether it would, or would not, be made public.

3. Throughout the discussion, I endeavoured to give the impression that the report simply gave a straightforward account of events and that there was nothing mysterious about it.

11 January, 1968.

(C. S. HUGHES)  
Deputy Secretary.



I refer to your request concerning the destruction of some of ASIO's records. The Royal Commission gave consideration to the principles that should govern the destruction of records of ASIO and concluded that only records that are not, or are not now, of actual or potential security relevance should be destroyed. The Director-General is proceeding with the destruction of records according to those principles.

Yours sincerely,

(Malcolm Fraser)

The Hon. D. A. Dunstan, Q.C., M.H.A.,  
Premier of South Australia,

HANSARD 19 AUGUST 1970

**Former Prime Minister: Official and Personal Papers**

(Question No. 42)

Mr Whitlam asked the Prime Minister, upon notice:

(1) What is the name and position of the officer of his Department into whose custody Sir John Bunting gave all official papers discovered in the effects of the late Mr Holt.

(2) Did these papers include the letter which was written by the honourable member for Ballarat after discussion with him and which was published at page 184 of Mr Trengove's biography of him.

Mr Gorton—The answer to the honourable member's question is as follows:

(1) I am informed that official papers were dealt with in the ordinary course.

(2) I do not know. I have not inquired and do not propose to inquire about any private letters or personal possessions belonging to the late Mr Holt.

Handard

30.3.71

**MRS DALTON**

(Question No. 852)

Senator CAVANAGH asked the Minister representing the Attorney-General, upon notice:

(1) Was the sergeant on duty at Government House, Canberra, notified by Mrs Dalton of the imminent danger to the life of a senior politician 74 hours before a shot was fired in Sydney at Mr Arthur Calwell, the then Leader of the Opposition.

(2) Following the incident did the Attorney-General instruct a Sydney police sergeant to make an investigation.

(3) Was the particular sergeant in the New South Wales representative of the Australian Security Intelligence Organisation.

(4) Was the sergeant concerned a member in 1943 of a Nazi Party operating in Australia.

Senator GREENWOOD—The Attorney-General has supplied the following answer to the honourable senator's question:

(1) No.

(2) No.

(3) and (4) See (2) above.

**MRS DALTON**

(Question No. 856)

Senator CAVANAGH asked the Minister representing the Attorney-General, upon notice:

(1) Was the Canberra home of Mrs Dalton raided and searched by Commonwealth Police in December 1967.

(2) Did the Commissioner of Police who authorised the raid inform the officers making the raid that the search was necessary as Mrs Dalton was expecting at any moment a serious attack upon a senior politician and the search was for further information.

(3) Did Mrs Dalton, on 10th December 1967 visit Commonwealth Police Headquarters of the

imminent danger to a senior politician from subversive sources.

(4) Was Mrs Dalton on that occasion ordered from Police Headquarters by the Deputy Chief of Police.

(5) Did Mrs Dalton return 2 days later repeating her warning and producing certain photostat documents.

(6) Has there been any investigation as to whether this warning could have had any relationship to the disappearance of the then Prime Minister, Mr Holt, in December 1967.

Senator GREENWOOD—The Attorney-General has supplied the following answer to the honourable senator's question:

(1) No.

(2) See answer to question (1).

(3) No.

(4) Mrs Dalton did not visit Commonwealth Police Headquarters in December 1967. She has never been ordered from the Headquarters.

(5) and (6) See answers to (1) and (4) above.

## Hiding CIA activities in Australia

### ALLEGATIONS ABOUT C.I.A. ACTIVITIES IN AUSTRALIA

Page 1/2

#### POSSIBLE QUESTION:

HAS THE PRIME MINISTER'S ATTENTION BEEN DRAWN TO NEWSAGENCY REPORTS ABOUT ALLEGED C.I.A. ACTIVITY IN AUSTRALIA MADE DURING A COURT HEARING IN LOS ANGELES? IF SO, WHAT COMMENT WILL THE PRIME MINISTER MAKE ON THESE ALLEGATIONS?

#### POSSIBLE ANSWER:

- MY ATTENTION HAS BEEN DRAWN TO PROCEEDINGS IN A COURT IN THE UNITED STATES IN WHICH A SECURITY CLERK WITH AN AEROSPACE FIRM IS CHARGED WITH PASSING SECURITY DOCUMENTS TO THE SOVIET UNION.
- ACCORDING TO THESE REPORTS NEITHER PROSECUTION NOR DEFENCE LAWYERS HAD A COPY OF ANY DOCUMENT RELATING TO C.I.A. ACTIVITIES IN AUSTRALIA.
- I AM HAVING INQUIRIES MADE TO ESTABLISH THE FACTS IN THIS MATTER.
- IN THE CIRCUMSTANCES I CONSIDER IT INAPPROPRIATE TO MAKE FURTHER COMMENT UNTIL FULLER INFORMATION IS AVAILABLE.

#### BACKGROUND:

Reuter Reports state that Christopher Boyce who was an employee of the Aerospace firm T.R.V. Incorporated is on trial for spying for the Russians and that he was blackmailed into doing so by one Andrew Lee who was similarly charged with spying.

It seems that Boyce in some innocence gave Lee a document regarding alleged C.I.A. activities in Australia which, according to Lee, was subsequently passed to the Russians.

Prosecution and Defence lawyers have said they do not know if such a document concerning C.I.A. activities in Australia in fact exists although Boyce has testified that he has seen it and given a copy to Lee.

The Department of Foreign Affairs has sent an immediate cable to Washington seeking the transcript of proceedings and additional relevant material. There is no evidence that Boyce has been in Australia.

.../2



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Copy No. <sup>27</sup>.....

C A B I N E T   M I N U T E

Canberra, 23 May 1977

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Decision No. 2985

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Without Submission - Allegations of CIA Activity in  
Australia

The Cabinet noted that the Prime Minister intended to make a statement to Parliament as soon as possible conveying assurances he had received from elements of the Government and from President Carter personally that neither the United States nor its representatives are involved in improper or inappropriate activities in Australia.

2. The Cabinet endorsed in general the draft statement. It asked that certain unduly provocative assertions be rephrased and suggested that, as a precaution, all points made in the draft be rechecked.

  
Deputy Secretary to Cabinet

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3.

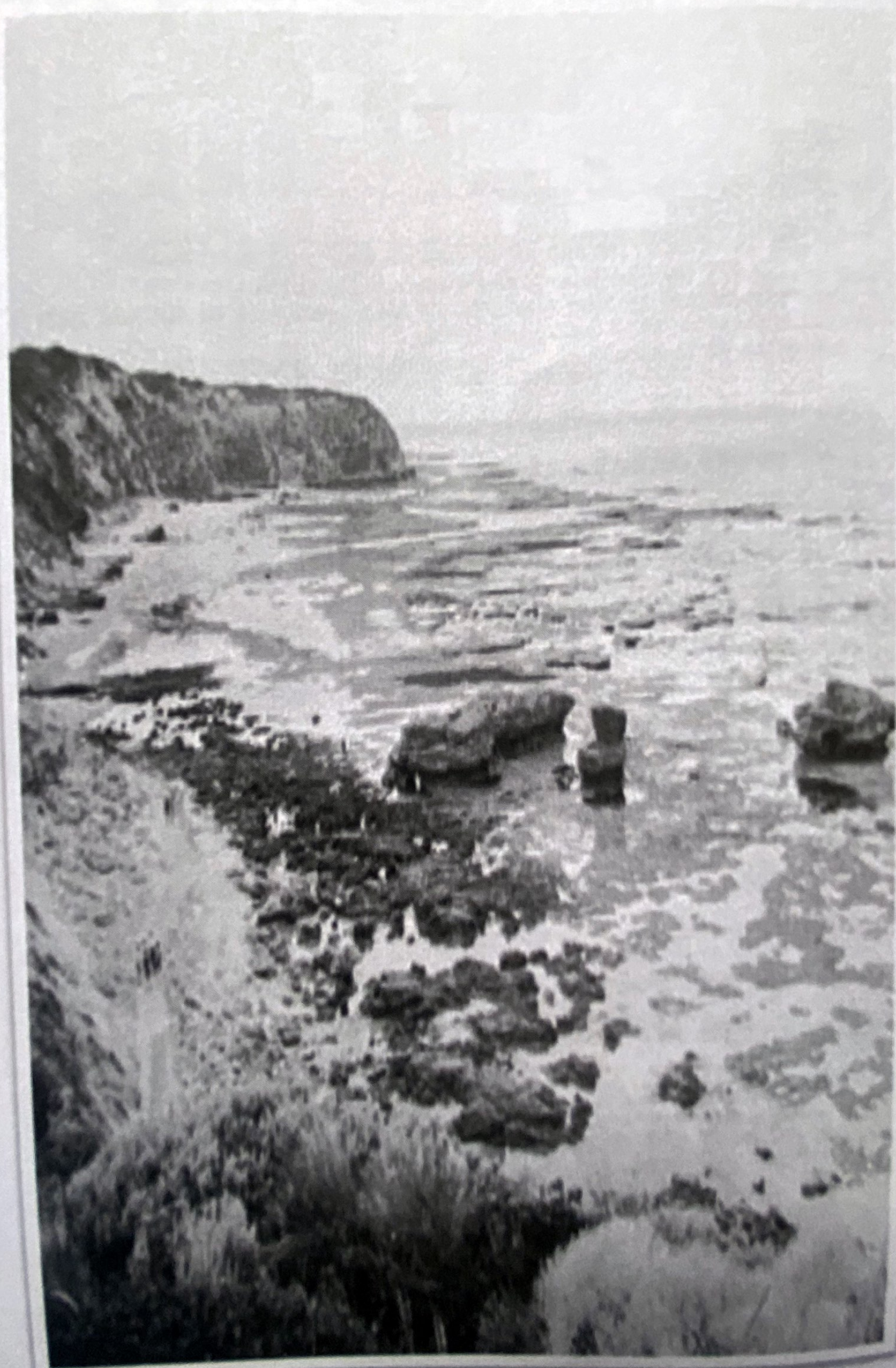
clandestine grouping of its own to receive it. The sources of D.L.P. funds seemed to be familiar. A.S.I.O. was at that time more concerned to give satisfaction to the Government politically than to pursue deep penetration operations in the C.P.A. with a view to disclosing information on Sino-Soviet relations etc. It was clear to me from the reports I saw that A.S.I.O. had no agents at that time of even State Committee level and such informants as they had were unaware of the significance of events taking place around them.

One last comment on the influence of A.S.I.O. A.S.I.O. struck me as able to operate without control wherever it did not risk questions in Parliament. For instance, migrant groups were overawed, the R.S.L. and the press could be counted on for publicity support "outlets" and the Melbourne Club gave access to the industrial establishment (and certain social benefits). The Melbourne Club is, of course, the seat of the Australian intelligence establishment (A.S.I.O. and M.O.9) and operational expenses and expense accounts can afford favours to those who co-operate. Favours can also be arranged for visitors to the United Kingdom. Senior intelligence officers often sought important contacts both for personal social reasons and to increase the influence of their organisations. Contacts with Liberal Party figures were no exception. Casey introduced the intelligence fraternity to the Melbourne Club and Sir Robert Menzies is also a member. The United States C.I.A. representative in Australia was also an honorary member and could frequently be seen going about his obvious pursuits with A.S.I.O. and M.O.9 officers. Just as the American Embassy takes the political pulse formally in

SECRET



Cheviot beach a perfect killing ground. Witnesses could not escape the snipers



British M09 intelligence agent states that the CIA viewed Australian politics as subject to manipulation

SECRET

4.

Canberra - so does the senior C.I.A. representative gather his own background from establishment contacts in Melbourne and I suspect he too can offer favours in Washington and useful contacts with American firms.

I recall meeting the first senior C.I.A. representative who arrived in Australia and was surprised to find that his main initial interest was in the D.L.P. I wondered at the time about the propriety and the tactfulness of his enquiries. The impression given was that Australia was being looked upon as a country much like Thailand whose politics could be subjected to manipulation. I heard later that A.S.I.O. told him to make no further mention of this subject to members of an external intelligence service. Nevertheless, the C.I.A. representatives' relations are very close with both A.S.I.O. and M.O.9 and no one from another department has the opportunity to assess these relations from the point of view of relations between Australia and the U.S.A. on a governmental level. Both organisations certainly need to have attached officers from public service Departments.

These are a few hasty notes but if there is anything in particular you require please let me know.

8th December, 1969.



## A STUDY OF ASSASSINATION

### DEFINITION

Assassination is a term thought to be derived from "hashish", a drug similar to marijuana, said to have been used by Hassan-San-Ishah to induce motivation in his followers, who were assigned to carry out political and other murders, usually at the cost of their lives.

It is here used to describe the planned killing of a person who is not under the legal jurisdiction of the killer, who is not physically in the hands of the killer, who has been selected by a resistance organization for death, and whose death provides positive advantages to that organization.

### SYNOPSIS

Assassination is an extreme measure not normally used in clandestine operations. It should be assumed that it will never be ordered or authorized by any U. S. Headquarters, though the latter may in rare instances agree to its execution by members of an associated foreign service. This reticence is partly due to the necessity for committing communications to paper. No assassination instructions should ever be written or recorded. Consequently, the decision to employ this technique must nearly always be reached in the field, at the area where the act will take place. Decision and instructions should be confined to an absolute minimum of persons. Ideally, only one person will be involved. No report may be made, but usually the act will be properly covered by normal news services, whose output is available to all concerned.

## A STUDY OF ASSASSINATION A C.I.A TRAINING MANUAL

### DEFINITION

Assassination is a term thought to be derived from "Hashish", a drug similar to marijuana, said to have been used by Hasan-Dan-Sabah to induce motivation in his followers, who were assigned to carry out political and other murders, usually at the cost of their lives.

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### EMPLOYMENT

Assassination is an extreme measure not normally used in clandestine operations. It should be assumed that it will never be ordered or authorized by any U.S. Headquarters, though the latter may in rare instances agree to its execution by members of an associated foreign service. This reticence is partly due to the necessity for committing communications to paper. No assassination instructions should ever be written or recorded. Consequently, the decision to employ this technique must nearly always be reached in the field, at the area where the act will take place. Decision and instructions should be confined to an absolute minimum of persons. Ideally, only one person will be involved. No report may be made, but usually the act will be properly covered by normal news services, whose output is available to all concerned.

### JUSTIFICATION

Murder is not morally justifiable. Self-defense may be argued if the victim has knowledge which may destroy the resistance organization if divulged. Assassination of persons responsible for atrocities or reprisals may be regarded as just punishment. Killing a political leader whose burgeoning career is a clear and present danger to the cause of freedom may be held necessary.

But assassination can seldom be employed with a clear conscience. Persons who are morally squeamish should not attempt it.

### CLASSIFICATIONS

The techniques employed will vary according to whether the subject is unaware of his danger, aware but unguarded, or guarded. They will also be affected by whether or not the assassin is to be killed with the subject hereafter, assassinations in which the subject is

unaware will be termed "simple"; those where the subject is aware but unguarded will be termed "chase"; those where the victim is guarded will be termed "guarded."

If the assassin is to die with the subject, the act will be called "lost." If the assassin is to escape, the adjective will be "safe." It should be noted that no compromises should exist here. The assassin must not fall alive into enemy hands.

A further type division is caused by the need to conceal the fact that the subject was actually the victim of assassination, rather than an accident or natural causes. If such concealment is desirable the operation will be called "secret"; if concealment is immaterial, the act will be called "open"; while if the assassination requires publicity to be effective it will be termed "terroristic."

Following these definitions, the assassination of Julius Caesar was safe, simple, and terroristic, while that of Huey Long was lost, guarded and open. Obviously, successful secret assassinations are not recorded as assassination at all. [illegible] of Thailand and Augustus Caesar may have been the victims of safe, guarded and secret assassination. Chase assassinations usually involve clandestine agents or members of criminal organizations.

## THE ASSASSIN

In safe assassinations, the assassin needs the usual qualities of a clandestine agent. He should be determined, courageous, intelligent, resourceful, and physically active. If special equipment is to be used, such as firearms or drugs, it is clear that he must have outstanding skill with such equipment.

Except in terroristic assassinations, it is desirable that the assassin be transient in the area. He should have an absolute minimum of contact with the rest of the organization and his instructions should be given orally by one person only. His safe evacuation after the act is absolutely essential, but here again contact should be as limited as possible. It is preferable that the person issuing instructions also conduct any withdrawal or covering action which may be necessary.

In lost assassination, the assassin must be a fanatic of some sort. Politics, religion, and revenge are about the only feasible motives. Since a fanatic is unstable psychologically, he must be handled with extreme care. He must not know the identities of the other members of the organization, for although it is intended that he die in the act, something may go wrong. While the assassin of Trotsky has never revealed any significant information, it was unsound to depend on this when the act was planned.

## PLANNING

When the decision to assassinate has been reached, the tactics of the operation must be

planned, based upon an estimate of the situation similar to that used in military operations. The preliminary estimate will reveal gaps in information and possibly indicate a need for special equipment which must be procured or constructed. When all necessary data has been collected, an effective tactical plan can be prepared. All planning must be mental; no papers should ever contain evidence of the operation.

In resistance situations, assassination may be used as a counter-reprisal. Since this requires advertising to be effective, the resistance organization must be in a position to warn high officials publicly that their lives will be the price of reprisal action against innocent people. Such a threat is of no value unless it can be carried out, so it may be necessary to plan the assassination of various responsible officers of the oppressive regime and hold such plans in readiness to be used only if provoked by excessive brutality. Such plans must be modified frequently to meet changes in the tactical situation.

## TECHNIQUES

The essential point of assassination is the death of the subject. A human being may be killed in many ways but sureness is often overlooked by those who may be emotionally unstrung by the seriousness of this act they intend to commit. The specific technique employed will depend upon a large number of variables, but should be constant in one point: Death must be absolutely certain. The attempt on Hitler's life failed because the conspiracy did not give this matter proper attention.

Techniques may be considered as follows:

### 1. Manual.

It is possible to kill a man with the bare hands, but very few are skillful enough to do it well. Even a highly trained Judo expert will hesitate to risk killing by hand unless he has absolutely no alternative. However, the simplest local tools are often much the most efficient means of assassination. A hammer, axe, wrench, screw driver, fire poker, kitchen knife, lamp stand, or anything hard, heavy and handy will suffice. A length of rope or wire or a belt will do if the assassin is strong and agile. All such improvised weapons have the important advantage of availability and apparent innocence. The obviously lethal machine gun failed to kill Trotsky where an item of sporting goods succeeded.

In all safe cases where the assassin may be subject to search, either before or after the act, specialized weapons should not be used. Even in the lost case, the assassin may accidentally be searched before the act and should not carry an incriminating device if any sort of lethal weapon can be improvised at or near the site. If the assassin normally carries weapons because of the nature of his job, it may still be desirable to improvise and implement at the scene to avoid disclosure of his identity.



## 2. Accidents.

For secret assassination, either simple or chase, the contrived accident is the most effective technique. When successfully executed, it causes little excitement and is only casually investigated.

The most efficient accident, in simple assassination, is a fall of 75 feet or more onto a hard surface. Elevator shafts, stair wells, unscreened windows and bridges will serve. Bridge falls into water are not reliable. In simple cases a private meeting with the subject may be arranged at a properly-cased location. The act may be executed by sudden, vigorous [excised] of the ankles, tipping the subject over the edge. If the assassin immediately sets up an outcry, playing the "horrified witness", no alibi or surreptitious withdrawal is necessary. In chase cases it will usually be necessary to stun or drug the subject before dropping him. Care is required to insure that no wound or condition not attributable to the fall is discernible after death.

Falls into the sea or swiftly flowing rivers may suffice if the subject cannot swim. It will be more reliable if the assassin can arrange to attempt rescue, as he can thus be sure of the subject's death and at the same time establish a workable alibi.

If the subject's personal habits make it feasible, alcohol may be used [2 words excised] to prepare him for a contrived accident of any kind.

Falls before trains or subway cars are usually effective, but require exact timing and can seldom be free from unexpected observation.

Automobile accidents are a less satisfactory means of assassination. If the subject is deliberately run down, very exact timing is necessary and investigation is likely to be thorough. If the subject's car is tampered with, reliability is very low. The subject may be stunned or drugged and then placed in the car, but this is only reliable when the car can be run off a high cliff or into deep water without observation.

Arson can cause accidental death if the subject is drugged and left in a burning building. Reliability is not satisfactory unless the building is isolated and highly combustible.

## 3. Drugs.

In all types of assassination except terroristic, drugs can be very effective. If the assassin is trained as a doctor or nurse and the subject is under medical care, this is an easy and rare method. An overdose of morphine administered as a sedative will cause death without disturbance and is difficult to detect. The size of the dose will depend upon whether the subject has been using narcotics regularly. If not, two grains will suffice.

If the subject drinks heavily, morphine or a similar narcotic can be injected at the passing out stage, and the cause of death will often be held to be acute alcoholism. Specific poisons,

such as arsenic or strychnine, are effective but their possession or procurement is incriminating, and accurate dosage is problematical. Poison was used unsuccessfully in the assassination of Rasputin and Kolohan, though the latter case is more accurately described as a murder.

#### 4. Edge Weapons

Any locally obtained edge device may be successfully employed. A certain minimum of anatomical knowledge is needed for reliability.

Puncture wounds of the body cavity may not be reliable unless the heart is reached. The heart is protected by the rib cage and is not always easy to locate.

Abdominal wounds were once nearly always mortal, but modern medical treatment has made this no longer true.

Absolute reliability is obtained by severing the spinal cord in the cervical region. This can be done with the point of a knife or a light blow of an axe or hatchet.

Another reliable method is the severing of both jugular and carotid blood vessels on both sides of the windpipe.

If the subject has been rendered unconscious by other wounds or drugs, either of the above methods can be used to insure death.

#### 5. Blunt Weapons

As with edge weapons, blunt weapons require some anatomical knowledge for effective use. Their main advantage is their universal availability. A hammer may be picked up almost anywhere in the world. Baseball and [illegible] bats are very widely distributed. Even a rock or a heavy stick will do, and nothing resembling a weapon need be procured, carried or subsequently disposed of.

Blows should be directed to the temple, the area just below and behind the ear, and the lower, rear portion of the skull. Of course, if the blow is very heavy, any portion of the upper skull will do. The lower frontal portion of the head, from the eyes to the throat, can withstand enormous blows without fatal consequences.

#### 6. Firearms

Firearms are often used in assassination, often very ineffectively. The assassin usually has insufficient technical knowledge of the limitations of weapons, and expects more range, accuracy and killing power than can be provided with reliability. Since certainty of death is the major requirement, firearms should be used which can provide destructive power at

least 100% in excess of that thought to be necessary, and ranges should be half that considered practical for the weapon.

Firearms have other drawbacks. Their possession is often incriminating. They may be difficult to obtain. They require a degree of experience from the user. They are [illegible]. Their [illegible] is consistently over-rated.

However, there are many cases in which firearms are probably more efficient than any other means. These cases usually involve distance between the assassin and the subject, or comparative physical weakness of the assassin, as with a woman.

(a) The precision rifle. In guarded assassination, a good hunting or target rifle should always be considered as a possibility. Absolute reliability can nearly always be achieved at a distance of one hundred yards. In ideal circumstances, the range may be extended to 250 yards. The rifle should be a well made bolt or falling block action type, handling a powerful long-range cartridge. The .300 F.A.B. Magnum is probably the best cartridge readily available. Other excellent calibers are .375 M.[illegible]. Magnum, .270 Winchester, .30 - 106 p.s., 8 x 60 MM Magnum, 9.3 x 62 kk and others of this type. These are preferable to ordinary military calibers, since ammunition available for them is usually of the expanding bullet type, whereas most ammunition for military rifles is full jacketed and hence not sufficiently lethal. Military ammunition should not be altered by filing or drilling bullets, as this will adversely affect accuracy.

The rifle may be of the "bull gun" variety, with extra heavy barrel and set triggers, but in any case should be capable of maximum precision. Ideally, the weapon should be able to group in one inch at one hundred yards, but 2 1/2" groups are adequate. The sight should be telescopic, not only for accuracy, but because such a sight is much better in dim light or near darkness. As long as the bare outline of the target is discernable, a telescope sight will work, even if the rifle and shooter are in total darkness.

An expanding, hunting bullet of such calibers as described above will produce extravagant laceration and shock at short or mid-range. If a man is struck just once in the body cavity, his death is almost entirely certain.

Public figures or guarded officials may be killed with great reliability and some safety if a firing point can be established prior to an official occasion. The propaganda value of this system may be very high.

(b) The machine gun.

Machine guns may be used in most cases where the precision rifle is applicable. Usually, this will require the subversion of a unit of an official guard at a ceremony, though a skillful and determined team might conceivably dispose of a loyal gun crew without commotion and

take over the gun at the critical time.

The area fire capacity of the machine gun should not be used to search out a concealed subject. This was tried with predictable lack of success on Trotsky. The automatic feature of the machine gun should rather be used to increase reliability by placing a 5 second burst on the subject. Even with full jacket ammunition, this will be absolute lethal is the burst pattern is no larger than a man. This can be accomplished at about 150 yards. In ideal circumstances, a properly padded and targeted machine gun can do it at 850 yards. The major difficulty is placing the first burst exactly on the target, as most machine gunners are trained to spot their fire on target by observation of strike. This will not do in assassination as the subject will not wait.

#### (c) The Submachine Gun.

This weapon, known as the "machine-pistol" by the Russians and Germans and "machine-carbine" by the British, is occasionally useful in assassination. Unlike the rifle and machine gun, this is a short range weapon and since it fires pistol ammunition, much less powerful. To be reliable, it should deliver at least 5 rounds into the subject's chest, though the .45 caliber U.S. weapons have a much larger margin of killing efficiency than the 9 mm European arms.

The assassination range of the sub-machine gun is point blank. While accurate single rounds can be delivered by sub-machine gunners at 50 yards or more, this is not certain enough for assassination. Under ordinary circumstances, the SMG should be used as a fully automatic weapon. In the hands of a capable gunner, a high cyclic rate is a distinct advantage, as speed of execution is most desirable, particularly in the case of multiple subjects.

The sub-machine gun is especially adapted to indoor work when more than one subject is to be assassinated. An effective technique has been devised for the use of a pair of sub-machine gunners, by which a room containing as many as a dozen subjects can be "purified" in about twenty seconds with little or no risk to the gunners. It is illustrated below.

While the U.S. sub-machine guns fire the most lethal cartridges, the higher cyclic rate of some foreign weapons enable the gunner to cover a target quicker with acceptable pattern density. The Bergmann Model 1934 is particularly good in this way. The Danish Madman? SMG has a moderately good cyclic rate and is admirably compact and concealable. The Russian SHG's have a good cyclic rate, but are handicapped by a small, light protective which requires more kits for equivalent killing effect.

#### (d) The Shotgun.



A large bore shotgun is a most effective killing instrument as long as the range is kept under ten yards. It should normally be used only on single targets as it cannot sustain fire successfully. The barrel may be "sawed" off for convenience, but this is not a significant factor in its killing performance. Its optimum range is just out of reach of the subject. 00 buckshot is considered the best shot size for a twelve gage gun, but anything from single balls to bird shot will do if the range is right. The assassin should aim for the solar plexus as the shot pattern is small at close range and can easily [illegible] the head.

#### (e) The Pistol.

While the handgun is quite inefficient as a weapon of assassination, it is often used, partly because it is readily available and can be concealed on the person, and partly because its limitations are not widely appreciated. While many well known assassinations have been carried out with pistols (Lincoln, Harding, Ghandi), such attempts fail as often as they succeed, (Truman, Roosevelt, Churchill).

If a pistol is used, it should be as powerful as possible and fired from just beyond reach. The pistol and the shotgun are used in similar tactical situations, except that the shotgun is much more lethal and the pistol is much more easily concealed.

In the hands of an expert, a powerful pistol is quite deadly, but such experts are rare and not usually available for assassination missions.

.45 Colt, .44 Special, .455 Kly, .45 A.S. [illegible] (U.S. Service) and .357 Magnum are all efficient calibers. Less powerful rounds can suffice but are less reliable. Sub-power cartridges such as the .32s and .25s should be avoided.

In all cases, the subject should be hit solidly at least three times for complete reliability.

#### (f) Silent Firearms

The sound of the explosion of the propellant in a firearm can be effectively silenced by appropriate attachments. However, the sound of the projective passing through the air cannot, since this sound is generated outside the weapon. In cases where the velocity of the bullet greatly exceeds that of sound, the noise so generated is much louder than that of the explosion. Since all powerful rifles have muzzle velocities of over 2000 feet per second, they cannot be silenced.

Pistol bullets, on the other hand, usually travel slower than sound and the sound of their flight is negligible. Therefore, pistols, submachine guns and any sort of improvised carbine or rifle which will take a low velocity cartridge can be silenced. The user should not forget that the sound of the operation of a repeating action is considerable, and that the sound of bullet strike, particularly in bone is quite loud.

Silent firearms are only occasionally useful to the assassin, though they have been widely

publicized in this connection. Because permissible velocity is low, effective precision range is held to about 100 yards with rifle or carbine type weapons, while with pistols, silent or otherwise, are most efficient just beyond arms length. The silent feature attempts to provide a degree of safety to the assassin, but mere possession of a silent firearm is likely to create enough hazard to counter the advantage of its silence. The silent pistol combines the disadvantages of any pistol with the added one of its obviously clandestine purpose.

A telescopically sighted, closed-action carbine shooting a low velocity bullet of great weight, and built for accuracy, could be very useful to an assassin in certain situations. At the time of writing, no such weapon is known to exist.

## 7. Explosives.

Bombs and demolition charges of various sorts have been used frequently in assassination. Such devices, in terroristic and open assassination, can provide safety and overcome guard barriers, but it is curious that bombs have often been the implement of lost assassinations.

The major factor which affects reliability is the use of explosives for assassination. The charge must be very large and the detonation must be controlled exactly as to time by the assassin who can observe the subject. A small or moderate explosive charge is highly unreliable as a cause of death, and time delay or booby-trap devices are extremely prone to kill the wrong man. In addition to the moral aspects of indiscriminate killing, the death of casual bystanders can often produce public reactions unfavorable to the cause for which the assassination is carried out.

Bombs or grenades should never be thrown at a subject. While this will always cause a commotion and may even result in the subject's death, it is sloppy, unreliable, and bad propaganda. The charge must be too small and the assassin is never sure of: (1) reaching his attack position, (2) placing the charge close enough to the target and (3) firing the charge at the right time.

Placing the charge surreptitiously in advance permits a charge of proper size to be employed, but requires accurate prediction of the subject's movements.

Ten pounds of high explosive should normally be regarded as a minimum, and this is explosive of fragmentation material. The latter can consist of any hard, [illegible] material as long as the fragments are large enough. Metal or rock fragments should be walnut-size rather than pen-size. If solid plates are used, to be ruptured by the explosion, cast iron, 1" thick, gives excellent fragmentation. Military or commercial high explosives are practical for use in assassination. Homemade or improvised explosives should be avoided. While possibly powerful, they tend to be dangerous and unreliable. Anti-personnel explosive missiles are excellent, provided the assassin has sufficient technical knowledge to fuse them properly. 81 or 82 mm mortar shells, or the 120 mm mortar shell, are particularly good. Anti-personnel shells for 85, 88, 90, 100 and 105 mm guns and howitzers are both large enough

to be completely reliable and small enough to be carried by one man.

The charge should be so placed that the subject is not ever six feet from it at the moment of detonation.

A large, shaped charge with the [illegible] filled with iron fragments (such as 1" nuts and bolts) will fire a highly lethal shotgun-type [illegible] to 50 yards. This reaction has not been thoroughly tested, however, and an exact replica of the proposed device should be fired in advance to determine exact range, pattern-size, and penetration of fragments. Fragments should penetrate at least 1" of seasoned pine or equivalent for minimum reliability. Any firing device may be used which permits exact control by the assassin. An ordinary commercial or military exploder is efficient, as long as it is rigged for instantaneous action with no time fuse in the system. The wise [illegible] electric target can serve as the triggering device and provide exact timing from as far away as the assassin can reliably hit the target. This will avoid the disadvantages of ordinary or commercial high explosives are practical for use in assassination. Homemade or improvised explosives should be avoided. While possibly powerful, they tend to be dangerous and unreliable. Anti-personnel explosive missiles are excellent, provided the assassin has sufficient technical knowledge to fuse them properly. 81 or 82 mm mortar shells, or the 120 mm mortar shell, are particularly good. Anti-personnel shells for 85, 88, 90, 100 and 105 mm guns and howitzers are both large enough to be completely reliable and small enough to be carried by one man.

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The wise [illegible] electric target can serve as the triggering device and provide exact timing from as far away as the assassin can reliably hit the target. This will avoid the disadvantages of stringing wire between the proposed positions of the assassin and the subject, and also permit the assassin to fire the charge from a variety of possible positions.

The radio switch can be [illegible] to fire [illegible], though its reliability is somewhat lower and its procurement may not be easy.

#### EXAMPLES

[[illegible]] may be presented brief outlines, with critical evaluations of the following assassinations and attempts: Marat

Hedrich

Lincoln

Hitler

Harding

Roosevelt

Grand Duke Sergei

Truman

Pirhivie

Mussolini

Archduke Francis Ferdinand

Benes

Rasputin

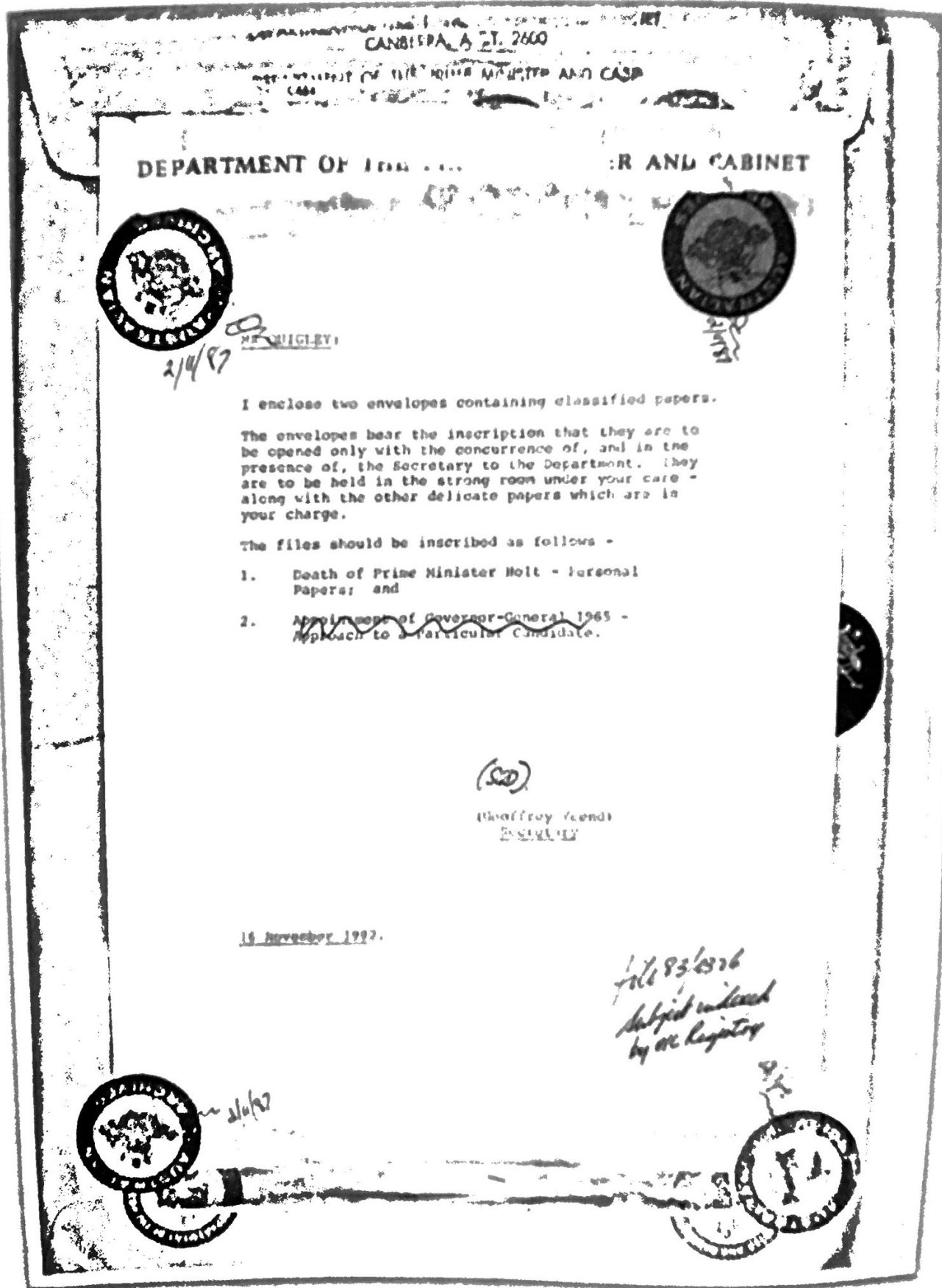
Aung Sang

Madero

Kirov

Abdullah





# THE SMOKING GUN DOCUMENT

## CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25 DC

**TOP SECRET**

May 21 1967

### MEMORANDUM FOR THE RECORD

**SUBJECT:** Meeting with the President ,Secretary Rusk ,Secretary McNamara  
Mr Hughes, Mr Bundy

**Re:** Removal of a moderate center by the apparent left.

From 10.30 a.m. until noon on May 20, 1967, a meeting was held in the President's office to discuss "actions which should be taken to prevent covert operations conflicting with each other.

Hughes then discussed a recent program in Australia designed to provide Yugoslavian anticommunist a sympathetic political environment in which to organize and train guerilla units to be sent back as an insurgency against Tito. Mr. Hughes noted that this operation is under threat as a result of another program, which had not been through 303 procedures.

This particular operation was using the HRB in order to begin effecting destabilization operations against the current Holt administration. We were lucky in this case he said because their man was cleaned and put away early" and that "we are working towards a more direct result".

A discussion arose from this with regards to why Holt's administration was under a ion. Mr. Hughes noted that these programs were high level spoiling actions aimed at suppression of communist activities within Holt's administration .

Secretary McNamara said that recent dealings with the Holt administration had not ieved the level of gain that was expected. Mr Hughes noted Holts lack of forcefulness in putting forward the governments Cambodia point of view. And that it was all passed on to Fraser at our suggestion.

"At the conclusion of the meeting it was agreed that the group would keep the President up to date on further developments with the Australian problem."

Threatening letter sent to Prime Minister Holt just prior to his death

COMMONWEALTH OF AUSTRALIA.

379  
Box 988 Kingston ACT 2614.  
Telephone 1001.  
Telex CAA 81



67/1000 0

cc Action Dept.  
EDMONTON, ACT  
cc Action Dept.

6 November, 1967.

The Deputy Commissioner,  
Canberra.

Anonymous offensive letter to  
Prime Minister.

I have to report having interviewed Mr. L. McSperrin at the Prime Minister's Department at about 12 noon, Monday, 6th November, 1967 about this matter.

2. Mr. McSperrin stated he had no information to offer to indicate the identity of the writer of the letter, or any suspicion in that direction. It appeared to him that as the letter had not been mailed and apparently had been put in the mail box at Parliament House for delivery to the Prime Minister, that the offender was probably situated at Parliament House. The letter had been submitted to this Force for any action which seemed desirable. Apparently Mr. McSperrin did not think it a matter for further enquiries at Parliament House, or to proceed there without first advising him as to the course of action this may take.

3. It occurred to me that as the typing appears to be professional and the letter was posted about the time of a debate, that it may well be the work of a junior newspaper reporter located at Parliament House.

4. It is suggested, that the letter be forwarded to the Document Examination Bureau of this Force to ascertain if the make of typewriter used can be identified.

*[Signature]*  
Sergeant.

*Lt Fitzgerald.*  
This appears to be a  
typewriter which may be  
able to be identified with  
some kind held on the  
Canberra file of 7/11

Parliamentary questions regarding Australian military involvement in training Croatian anticommunist insurgents. This program had CIA backing and was concealed by ASIO.

**Question 13:** Has the Minister for the Army made any explanation of how men wearing symbols of the Ustasha obtained possession of automatic and other weapons and took part in a military exercise with other men wearing uniforms of the Commonwealth Military Forces and were photographed seated on, and standing around, an Army tank; if so, what is the explanation?

**ANSWER:** The former Minister for the Army has made a statement in this Parliament about a demonstration of equipment by a local C.M.F. unit as part of a recruiting drive. No members of the Croatian group present on the occasion in question demonstrated the equipment, although some of them were photographed around it.

**Question 14:** If no such dissociations or explanations have been made, can he say why not?

**ANSWER:** See reply to Question 14.

**Question 15:** Has any investigation been made of the activities of members or supporters of the Ustasha in Australia?

**ANSWER:** Investigations have been made into the activities of Yugoslav migrant organisations in Australia. These have included the activities of a small extremist group known as The Brotherhood which has been active recently. The Brotherhood supports the movement for an independent Croatian State, but seeks illegally to use violence abroad to bring about such a State, a course which the vast majority of those who seek an independent Croatian State do not support.

**Question 16:** If so, when were these investigations first made, and will he state the results of these investigations?

**ANSWER:** Investigations have been carried out over a period of some years and will continue. It is not the practice to make the details of such investigations public.

**Question 17:** Is he able to say whether a number of members of the Movement recently travelled from Australia to Yugoslavia with the intention of carrying out terrorist activities there?

**ANSWER:** Ten members of The Brotherhood recently left Australia to pursue their aims. Nine of these men subsequently entered Yugoslavia with the alleged intention of carrying out terrorist activities there and were arrested by the Yugoslav authorities. The tenth was arrested in Germany, and charged with being in the illegal possession of a fire-arm and of being a member of a secret organization.

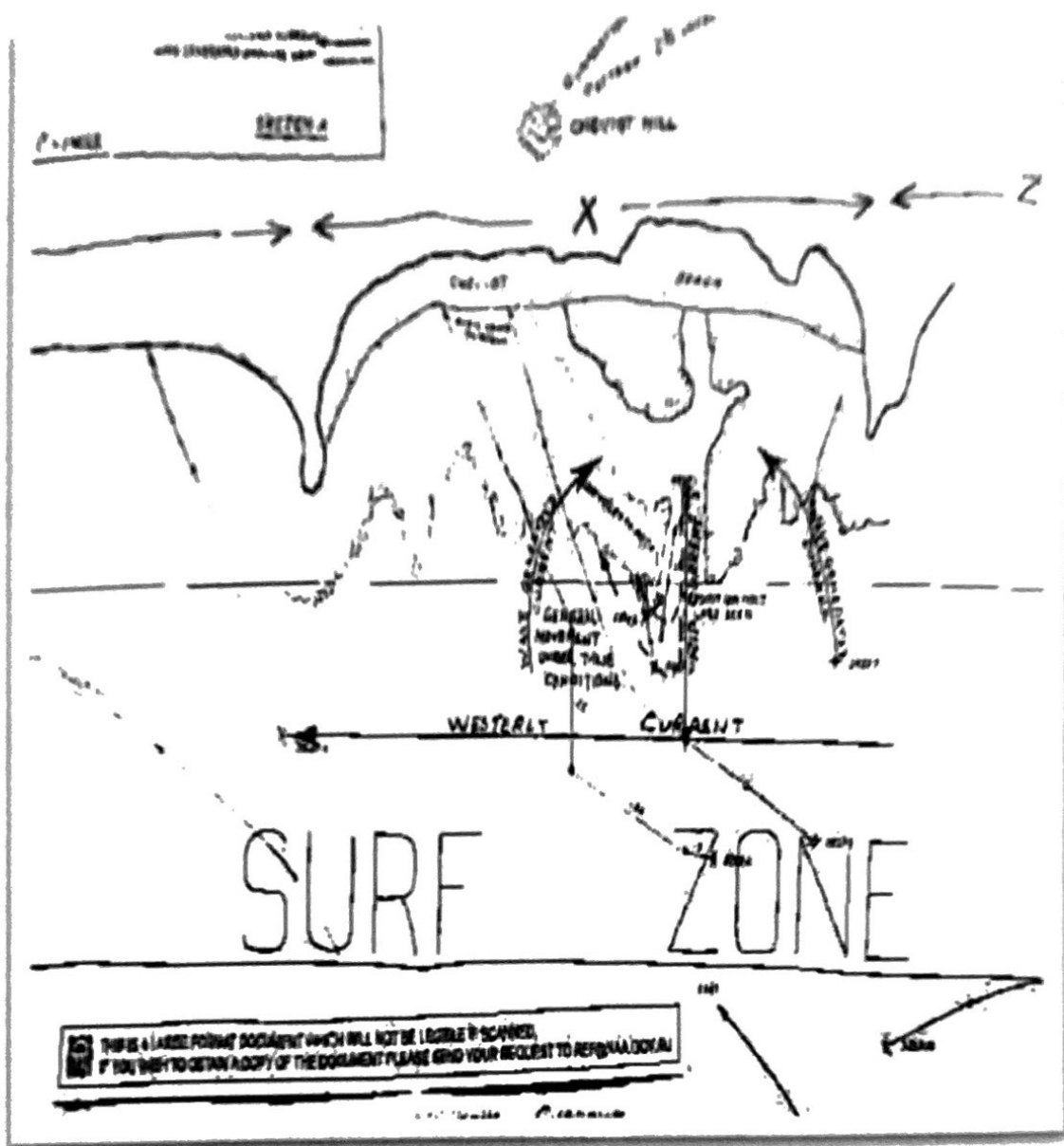
**Question 18:** If so, did they receive any training or assistance in Australia, and by whom were their fares paid?

**ANSWER:** No training or assistance was given to these men by the Australian Government or any Government instrumentality. Investigations have shown that rudimentary and ineffective training was carried out in Australia. The men appear to have paid their own fares.

The Australian Government has informed the Yugoslav Government that it has not and will not condone the activities of organizations aimed at the overthrow by force or by violence of the Government of Yugoslavia or the security of its citizens. The organization of The Brotherhood in Australia must be abandoned forthwith and the Government will take all necessary action to this end.



Documents from the police report by tidal scientists stating that Holt's body could not have drifted past the incoming surf.



The above tests indicated that Mr Holt was unlikely to have been carried out beyond the surf zone if the wave conditions were the same as on the 19 December. On the vague chance that the lower wave condition prevailing on the day of the tragedy permitted Mr Holt to pass through the surf zone to the ocean beyond, floats were placed beyond the surf zone. These floats indicated that all objects in the water beyond the surf would move in an easterly direction. In addition objects towards the surface would be moved towards the shore by the wind drag on the surface.

Memorandum of Conversation Between President Johnson and Minister of Foreign Affairs Malik11. Source: National Archives and Records Administration, RG 59, Conference Files, 1966-1972: Lot 68 D 453, CF 253. Secret. Drafted by Rostow.

Melbourne, Australia, December 22, 1967.

The President was in Australia to attend the memorial service for Australian Prime Minister Harold Holt who disappeared while swimming at sea on December 17.

The Foreign Minister said that President Suharto had instructed him to express his regrets that he could not come.

"President Johnson responded that he was sorry that President Suharto had not seen fit to come. The opportunity to see President Suharto and Prime Minister Sato was the only reason for going to Australia".

